

HILLSBOROUGH COUNTY

New Hampshire



F/Y 2018 ANNUAL REPORT



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HILLSBOROUGH COUNTY

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F/Y 2018 ANNUAL REPORT

УГЛЮКИ НАУКОВОЇ ДІЯЛЬНОСТІ

ДІЯЛЬНОСТЬ ІНСТИТУТУ

ІМЕНІ ВІКТОРА ГІРМАНІСА

ІМІМЕНІ ВІКТОРА ГІРМАНІСА

**HILLSBOROUGH COUNTY 2018
ANNUAL REPORT
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COUNTY COMMISSIONERS YEARLY REPORT

The Board of Commissioner's is pleased to present the fiscal year 2018 Annual Report. Through its employees and elected officials, who have responded efficiently and in cost-effective measures, Hillsborough County has delivered the necessary and required services to the citizens of Hillsborough County while being mindful of the tax burden upon the County taxpayer. As such, we are once again able to report that the County's financial condition remains very strong. We pride ourselves in carrying on from those that walked before us, as this is now the sixteenth consecutive year the County's financial position allowed the Board to complete the year without the need to borrow funds to balance the \$94,874,036 budget.

The goal of the Hillsborough County Commissioners is to provide our citizens the highest quality service while operating in an efficient, timely and courteous manner. With the ever changing economic times, we consistently look for lucrative measures in adding more revenue and managing to keep the same high level of service to the citizens of Hillsborough County. It is through cohesive relations with our department heads and elected officials that we successfully approved, managed and met our FY2018 budgetary goals without cutting services.

One of our goals as Commissioners is to support programs to those under the County's care. With an alarming drug problem plaguing this country we continue to support such programs as the Substance Abuse Treatment Community for Offenders (SATCO) Program run by the Department of Corrections under the supervision of Superintendent David Dionne. The SATCO program proves successful with those that have successfully participated in the curriculum learning coping mechanisms for addictive behaviors, prepping the participant to transition back into the community and assisting with job searches, housing and after-care upon release.

Other programs include the Music & Memory for our elder residents at the Nursing Home who suffer from dementia. Through grant funding the Nursing Home is able to provide iPods to those residents who suffer from physical and cognitive challenges associated with such a disease. The idea is that musical favorites tap deep memories not lost to dementia and can bring participants back to life, enabling them to feel like themselves again, to converse, socialize and stay present.

During FY18, the Commissioners were tasked with finding a new Nursing Home Administrator as longtime Administrator Bruce Moorehead retired. We thank Bruce for his dedicated service of eighteen years to the county and wish him well in his retirement. After an exhaustive search, David Ross was welcomed to the management team as the Nursing Home Administrator. David brings over twenty-seven years of experience in the nursing home administration field and we are confident in his abilities moving forward.

As we start Fiscal Year 2019, we look forward to working with our department heads, elected officials and employees as we strive for common goals to deliver the necessary and required services to the citizens of Hillsborough County.

The Commissioners wish to thank the department heads, elected officials and employees of the County for rising to the challenges that are faced on a daily basis handling themselves with professionalism and integrity. We also wish to acknowledge the County Delegation members and thank them for their ongoing support.

Toni H. Papas
Chairman

Robert Rowe
Vice-Chairman

Paul Bergeron
Clerk

HILLSBOROUGH COUNTY OFFICERS

2018

Board of Commissioners

Toni H. Pappas, District 1, Chair	Manchester, NH
Robert H. Rowe, District 3, Vice-Chair	Amherst, NH
Paul G. Bergeron, District 2, Clerk	Nashua, NH

Treasurer

David G. Fredette	Nashua, NH
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County Attorney

Dennis C. Hogan	Nashua, NH
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Registrar of Deeds

Pamela D. Coughlin	Amherst, NH
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County Sheriff

James A. Hardy	Pelham, NH
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**HILLSBOROUGH COUNTY DELEGATION
2016-2018**

Dist. No. 01 (Antrim, Hillsborough, Windsor) (2)

Marjorie A. Porter, d, Hillsborough (64 School Street) 03244-4878
Jim Fedolfi, d, Hillsborough (21 Bradford Circle) 03244-4308

Dist. No. 02 (Deering, Weare) (3)

Daniel Donovan, r, Deering (P.O. Box 697) 03244
Gary S. Hopper, r, Weare (107 Buxton School Road) 03281-5805
Neal M. Kurk, r, Weare (RR 1) 03281-5412

Dist. No. 03 (Bennington, Greenfield, Hancock) (1)

Jonathan F. Manley, d, Bennington (227 Bible Hill Road) 03442-4340

Dist. No. 04 (Francetown, Greenville, Lyndeborough, Wilton) (2)

Carol Roberts, d, Wilton (31 Curtis Farm Road) 03836
Kermit R. Williams, d, Wilton (55 Burns Hill Road) 03086-5112

Dist. No. 05 (Mont Vernon, New Boston) (2)

Glen Dickey, New Boston (54 McCurdy Rd.) 03070
Gerald Griffin, r, Mont Vernon (PO Box 183) 03057

Dist. No. 06 (Goffstown) (5)

Rick Christie, r, Goffstown (149 Moose Club Park Road) 03045
Barbara Griffin, r, Goffstown (84 Merrill Road) 03045
David Pierce, r, Goffstown (21 Mill Street) 03045
Claire Rouillard, r, Goffstown (14 Jasmine Lane) 03045
Nick Zaricki, r, Goffstown (11 Hoyt Road) 03045

Dist. No. 07 (Bedford) (6)

David J. Danielson, r, Bedford (9 Darby Lane) 03110-4517
Bart Fromuth, r, Bedford (38 Hawthorne Drive, Unit 0201) 03110
Linda Gould, r, Bedford (2 Elder Williams Road) 03110
Keith Murphy, r, Bedford (13 Woburn Abbey Drive) 03110-6234
John Graham, r Bedford (8 Ministerial Circle) 03110
Terry Wolf, r, Bedford (61 Bracken Circle) 03110

Dist. No. 08 (Manchester Ward 1) (2)

Jeffrey P. Goley, d, Manchester (1683 River Road) 03104-1645
Daniel Sullivan, Manchester (172 Arah St.) 03104

Dist. No. 09 (Manchester Ward 2) (2)

Linda A. DiSilvestro, d, Manchester (145 Fox Hollow Way) 03104

William J. O'Neil, d, Manchester (309 Ash Street) 03104

Dist. No. 10 (Manchester Ward 3) (2)

Jean L. Jeudy, d, Manchester (134 Calef Road) 03103-6324

Patrick Long, d, Manchester (112 Hollis Street) 03101

Dist. No. 11 (Manchester Ward 4) (2)

Elizabeth Edwards, d, Manchester (524 Wilson Street, #5) 03103

Robert M. Walsh, d, Manchester (114 Weston Street) 03104-5263

Dist. No. 12 (Manchester Ward 5) (2)

Amanda Bouldin, d, Manchester (412 Central Street FL 2) 03103

Lisa Freeman, Manchester (28 Dearborn St) 03103-4913

Dist. No. 13 (Manchester Ward 6) (2)

Larry G. Gagne, r, Manchester (126 Lakeside Drive) 03104-5801

Richard O'Leary, d, Manchester (97 Katinka Dr) 03109-4743

Dist. No. 14 (Manchester Ward 7) (2)

Mary Freitas, d, Manchester (279 Candia Road) 03109

Mary Heath, d, Manchester (76 Island Pond Road) 03109

Dist. No. 15 (Manchester Ward 8) (2)

Thomas Katsiantonis, d, Manchester (45 Glen Bloom Drive) 03109-5062

Steve Vaillancourt, r, Manchester (161 Faith Lane) 03103

Dist. No. 16 (Manchester Ward 9) (2)

Barbara E. Shaw, d, Manchester (45 Randall Street) 03103-6434

Victoria Sullivan, r, Manchester (1056 S. Beech Street) 03103

Dist. No. 17 (Manchester Ward 10) (2)

Mark MacKenzie, Manchester (319 West Erie St.) 03102

Timothy J. Smith, d, Manchester (494 South Main Street Apt 1) 03102-5144

Dist. No. 18 (Manchester Ward 11) (2)

Patricia Cornell, d, Manchester (787 Montgomery Street) 03102

Armand Forest, d, Manchester (692 Montgomery Street) 03102

Dist. No. 19 (Manchester Ward 12) (2)

Robert A. Backus, d, Manchester (1318 Goffstown Drive) 03102-2326

Joel Elber, Manchester (55 Greenview Drive) 03102-2415

Dist. No. 20 (Litchfield) (2)

Richard Lascelles, Litchfield (236 Bancroft) 03052

Frank A. Byron, r, Litchfield (8 Mallard Court) 03052-2439

Dist. No. 21 (Merrimack) (8)

Robert L'Heureux, r, Merrimack (94 Back River Rd.) 03054

Richard W. Barry, r, Merrimack (12 Kyle Road) 03054-4528
Chris Christensen, r, Merrimack (7 Greatstone Drive) 03054
Dick Hinch, r, Hillsborough (14 Ichabod Drive) 03054
Josh Moore, r, Merrimack (4 Buttonwood Lane) 03054
Jeanine M. Notter, r, Merrimack (19 Whittier Road) 03054-4755
Tony J. Pellegrino, r, Merrimack (35 Amherst Road) 03054-3927
Dan Hynes r, Merrimack (27 Maidstone Drive) 03054-4718

Dist. No. 22 (Amherst) (3)

Peter T. Hansen, r, Amherst (82 Amherst Street) 03031-3032
Shannon Chandley, Amherst (3 Highmeadow Lane) 03031
Reed Panasiti, Amherst (11 Mack Hill Road) 03031

Dist. No. 23 (Milford) (4)

Barbara Biggie, r, Milford (418 Osgood Road) 03055
Charlie Burns, Milford (119 Ridgefield Drive) 03055
Joelle Martin, Milford (122 Noons Quarry Rd) Milford 03055
Carolyn Halstead, Milford (70 Ruonala Road) Milford 03055

Dist. No. 24 (Peterborough) (2)

Peter R. Leishman, d, Peterborough (39 Birch Road) 03458-1900
Ivy Vann, d, Peterborough (50 Summer Street) 03458

Dist. No. 25 (New Ipswich, Sharon, Temple) (2)

Craig Moore, New Ipswich, (146 Davis Village Road) 03071
Paul Somero, New Ipswich (10 Vista Drive) 03071-3225

Dist. No. 26 (Brookline, Mason) (2)

John Lewicke, Mason (928 Starch Mill Road) 03048
John Carr, Brookline (8 Barber Way) 03033-2511

Dist. No. 27 (Hollis) (2)

James P. Belanger, r, Hollis (32 Plain Road) 03049-6248
Carolyn M. Gargasz, r, Hollis (PO Box 1223) 03049-1223

Dist. No. 28 (Nashua Ward 1) (3)

Janet Schmidt, Nashua (11 Pope Circle) 03063
Elizabeth Ferreira, r, Nashua (325 Broad Street) 03063
Carl Seidel, r, Nashua (39 Pilgrim Circle) 03063

Dist. No. 29 (Nashua Ward 2) (3)

Suzanne Harvey, d, Nashua (8 Crawford Lane) 03063
Michael McCarthy, r, Nashua (34 Terry Street) 03064-1431
Sue Newman, Nashua (25 Charlotte Ave) 03064

Dist. No. 30 (Nashua Ward 3) (3)

Patricia Klee, Nashua (9 Maywood Dr.) 03064
Cindy Rosenwald, d, Nashua (101 Wellington Street) 03064-1616
Mariellen MacKay, d, Nashua (9 Webster St.) 03064

Dist. No. 31 (Nashua Ward 4) (3)

Jessica Ayala, d, Nashua (31 Kinsley St.) 03060-3351

David E. Cote, d, Nashua (96 W Hollis Street) 03060-3146

Amelia Keane, d, Nashua (2 Clocktower Place) 03060-2560

Dist. No. 32 (Nashua Ward 5) (3)

Donald L. LeBrun, r, Nashua (333 Candlewood Park) 03062-4454

David K. Murotake, r, Nashua (17 Port Chester Drive) 03062-1639

Steve Negron, Nashua (28 Tanglewood Drive) 03062

Dist. No. 33 (Nashua Ward 6) (3)

Kevin Scully, Nashua (7 Wildwood Lane) 03060-3722

Kenneth N. Gidge, d, Nashua (22 Hayden Street) 03060-5854

Mark King, d, Nashua (3 Lovewell St.) 03060

Dist. No. 34 (Nashua Ward 7) (3)

Allison Nutting r, Nashua (22 Fifield Street) 03060

Catherine Sofikitis, , Nashua (54 Marshall St.) 03060-6339

Timothy Twombly, r, Nashua (120 East Hobart Street) 03060

Dist. No. 35 (Nashua Ward 8) (3)

Skip Cleaver, d, Nashua (4 Chadwick Circle) 03062-2505

Latha Mangipudi, d, Nashua (20 Salmon Brook Drive) 03062

David Lisle, r, Nashua (68 Bluestone Dr.) 03062

Dist. No. 36 (Nashua Ward 9) (3)

Martin L. Jack, d, Nashua (83 Cadogan Way) 03062-2285

Michael B. O'Brien, d, Nashua (4 Woodfield Street) 03062-2056

Bill Ohm, r, Nashua (18 Mountain Laurel #403) 03062

Dist. No. 37 (Hudson, Pelham) (11)

Caleb Dyer Hudson (47 Lawrence Rd.) 03051-3443

Steve Hellwig, r, Hudson (11 B Rangers Drive) 03051

Andrew Prout, r, Hudson (6 Raven Drive) 03051-3733

Shawn N. Jasper, r, Hudson (83 Old Derry Road) 03051-3017

Lynne M. Ober, r, Hudson (3 Heritage Circle) 03051-3410

Russell T. Ober, r, Hudson (3 Heritage Circle) 03051-3410

Andrew Renzulla, Hudson (2 Heritage Circle) 03051

Kimberly Rice, r, Hudson (51 Belknap Road) 03051

Eric Schleien, r, Hudson (26 A Pine Road,) 03051

Gregory Smith, r, Pelham (3 Mountain View Road) 03076

Jordan G. Ulery, r, Hudson (PO Box 15) 03051-0015

Dist. No. 38 (Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, Hillsborough,**Lyndeborough, Wilton, Windsor) (2)**

John Valera, Windsor (1321 2nd NH Turnpike) 03244

Richard D. McNamara, d, Hillsborough (PO Box 1891) 03244-1891

Dist. No. 39 (Deering, Goffstown, Weare) (1)

John Burt, r, Goffstown (7 Bay Street) 03045

Dist. No. 40 (Hollis, Milford, Mont Vernon, New Boston) (1)

Keith Ammon, r, New Boston (P.O. Box 38) 03070

Dist. No. 41 (Amherst, Bedford) (1)

Laurie J. Sanborn, r, Bedford (71 Eagle Drive) 03110-4506

Dist. No. 42 (Manchester Wards 1-3) (2)

Kendall Snow, d, Manchester (150 Birchwood Road) Manchester 03104

Jesse Martineau, d, Manchester (172 Arah Street) 03104-2119

Dist. No. 43 (Manchester Wards 4-7) (3)

Benjamin Baroody, d, Manchester (1175 Bridge Street) 03104

Christopher Herbert, d, Manchester (85 Watts Street) 03104

Kathleen F. Souza, r, Manchester (628 Belmont Street) 03104-5167

Dist. No. 44 (Manchester Wards 8 & 9, Litchfield) (2)

Andre A. Martel, r, Manchester (81 Maurice Street) 03103-3825

Mark Proulx, r, Manchester (76 Janet Court) 03103

Dist. No. 45 (Manchester Wards 10-12) (2)

Jane E. Beaulieu, d, Manchester (609 South Main Street) 03102-5134

Carlos Gonzalez, r, Manchester (1630 Front Street) 03102

DELEGATION PUBLIC HEARING
Bouchard Building-County Complex
329 Mast Road, Goffstown, NH 03045
JANUARY 10, 2018 MINUTES

Present: Chairman Don LeBrun, Vice Chairman Jim Belanger Clerk Larry Gagne, Rep. Frank Byron, Rep. Patricia Cornell, Rep. Linda DiSilvestro, Rep. Suzanne Harvey, Rep. Mary Heath, Rep. Dick Hinch, Rep. Martin Jack, Rep. Neal Kurk, Rep. Robert L'Heureux, Rep. Pat Long, Rep. Mariellen MacKay, Rep. Lynne Ober, Rep. Marjorie Porter, Rep. Claire Rouillard, Rep. Barbara Shaw, Rep. Latha Mangipudi, Rep. Jordan Ulery, Rep. Kermit Williams, Rep. Jim Fedolfi, Rep. Jonathan Manley, Rep. Gerald Griffin, Rep. David Pierce, Rep. David Danielson, Rep. Linda Gould, Rep. Terry Wolf, Rep. Jeffrey Goley, Rep. Elizabeth Edwards, Rep. Amanda Bouldin, Rep. Dick O'Leary, Rep. Mary Fretas, Rep. Erika Connors, Rep. Victoria Sullivan, Rep. Bob Backus, Rep. Jeanine Notter, Rep. Chris Christensen, Rep. Josh Moore, Rep. Reed Panasiti, Rep. Peter Leishman, Rep. John Lewicke, Rep. Carolyn Gargasz, Rep. Janice Schmidt, Rep. Elizabeth Ferreira, Rep. Carl Seidel, Rep. Sue Newman, Rep. Patricia Klee, Rep. Amelia Keane, Rep. David Murotake, Rep. Kevin Scully, Rep. Mark King, Rep. Timothy Twomly, Rep. Catherine Skifotis, Rep. Skip Cleaver, Rep. David Lisle, Rep. Michale O'Brien, Rep. Andrew Prout, rep. Kimberly Rice, Rep. Russell Ober, Rep. Andrew Renzullo, Rep. Richard McNamara, Rep. John Burt, Rep. Christopher Hebert, Rep. Kathleen Souza, Rep. Mark Proulx,

Public: County Administrator Chad Monier, Claire French (COFA), Superintendent David Dionne, Dan Reidy (Extn), NH Administrator David Ross, Commissioner Toni Pappas, Chief Negotiator Elizabeth Bailey, NCEU Negotiator Bill Doyle, Atty. Carolyn Kirby, Commissioner Paul Bergeron, Sydney Barnes, III (HCDOC/NCEU), Jeffrey Duclos (HCDOC/NCEU), Commissioner Robert Rowe, C. Souza.

The Public Hearing meeting was called to order by Chairman Lebrun at 5:30pm. Those present participated in a Pledge to the Flag.

Chairman LeBrun explained the Purpose of Meeting is to accept public comment on the following:

1. Pursuant to RSA 273-A, to consider approval of the proposed Collective Bargaining Agreement between the Hillsborough County Department of Corrections and National Correctional Employees Union Local 128, (supervisory staff) (cost items only).
2. Pursuant to RSA 273-A, to consider approval of the proposed Collective Bargaining Agreement between the Hillsborough County Attorney and Teamsters Local 633 (Administrative and Clerical Personnel) (cost items only).

Rep. LeBrun advised those wishing to speak should fill out public comment cards and submit them to the Clerk, Rep. Larry Gagne after the presentations. He stated the order of speakers will be determined by the Chairman each speaker will have 3 minutes.

Rep. LeBrun called upon County Chief Negotiator Elizabeth Bailey to address the proposed collective bargaining agreements.

NCEU and HCDOC Collective Bargaining Agreement.

Attorney Bailey provided the committee with an overview of negotiations and cost summary as outlined in documents provided to the Delegation. She explained the bargaining unit is comprised of supervisory personnel at the Department of Corrections including shift commanders, lieutenants, sergeants, training coordinators, supervisors and some nurses. The total number of employees covered is 33. Attorney Bailey relayed the FY 2018 cost projection of \$34,412.08 is comprised of a \$.70 wage adjustment in lieu of hazard pay, a \$.50 base wage adjustment, a \$.25 merit increase upon satisfactory performance and a sergeant/lieutenant wage adjustment with offsetting savings from hazard pay elimination, a sick day elimination and a vacation day elimination. The FY 2019 cost projection of \$34,853.88 includes a \$.50 base wage adjustment effective 1/1/19 and a \$.25 Merit increase based on satisfactory performance. The total coat projection for the 2 year CBA is \$69,265.96. Attorney Bailey answered questions regarding the negotiations timing and objectives.

Rep. Mangipudi inquired about the sick day and vacation day reductions. Attorney Bailey explained the changes were negotiated and considered in the overall pay adjustments.

Rep. Murotake asked if the agreement provided for retroactivity. Attorney Bailey responded it does not. Rep. Murotake then asked about the hazardous duty pay elimination. He was told that the job was inherently hazardous and therefore was incorporated into the base wage.

Rep. Burt inquired about unused merit pay and where the funds default to. He was advised they remain in the budget line and are treated the same as all unused funds at the end of the budget cycle. A further inquiry was made on the number of employees as the high and low end of the pay scale.

Teamster Local 633 and County Attorney's Office.

Attorney Bailey explained the history of the collective bargaining process. Attorney Bailey provided the committee with an overview of negotiations and cost summary as outlined in documents provided to the Delegation. Attorney Bailey advised the CBA covers Secretarial, Clerical and Professional Employees of the County Attorney's Office; 21 employees; the prior CBA expired 6/30/17; Negotiations commenced on April 11, 2017 and ended on June 28, 2017 for a total of four negotiating sessions. She explained cost items as follows: FY 2018 contains included an "equity wage adjustment" of \$2,923.32 and 1% merit increase based on satisfactory performance of \$3,808.30 for a total cost projection for FY 2018 of \$6,731.30. In FY 2019 there is a 50 cent merit increase based on satisfactory performance estimated at \$15,761.32 for a total cost projection for the 2 years of \$22,426.94.

Rep. Danielson asked what the \$22,492.94 represented as a total percentage increase. He explained that his constituents would expect that information to be available. Attorney Bailey responded that is was below 3% but that the increases were not based purely on percentages as

there are one time equity adjustments that did not affect all employees in the unit. She then deferred to Chad Monier who indicated it is 2.58%.

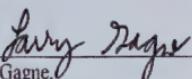
Rep. Murotake asked if the merit increase went into the base wage. Attorney Bailey responded affirmatively noting however, that the 1% equity adjustment does not.

There were no further questions.

Motion to Adjourn the Public Hearing by Rep. L'Hereux 2nd by Rep. Christensen. Motion passed on a voice vote.

Public Hearing adjourned at 5:53 pm.

Approved: January 26, 2018



Larry Gagne,
Delegation, Clerk

The County of Hillsborough
New Hampshire

Executive Committee

Chairman

Rep. Don LeBrun,
Nashua

Vice Chairman
Jim Belanger, Hollis

Clerk

Larry Gagne,
Manchester



329 Mast Road
Suite 120
Goffstown, NH
03045

Telephone
(603) 627-5631
Facsimile
(603) 627-1462

Delegation Public Hearing

Public Hearing

MINUTES

June 19, 2018 6:00pm

Bouchard Building, Goffstown, NH 03045

Present: Representatives: D. LeBrun, J. Belanger, L.Gagne, F. Byron, P.Cornell, L. DiSilvestro, M. Heath, D. Hinch, M. Jack, N. Kurk, B. L'Heureux, P. Long, L. Mangipudi, M. MacKay, L. Ober, M. Porter, C. Rouillard, B. Shaw, J. Ulery, K. Williams, T. Wolf, M. Freitas, J. Moore, J. Notter, E. Ferreira, M. Proulx.

Public: Sheriff James Hardy, C. French (COAF), C. Monier(COAF), M. MacNichol (COAF), Commissioner Pappas, D. Reidy (UNH Extension), M. Brady (Meals on Wheels), Attorney C. Kirby, M. Sutton, B. Alvarez De Toledo (CFS), P. Coughlin (Deeds), C. Fedolf, L. Lencki (HCNH).

The Public Hearing meeting was called to order at 6:01pm. Rep. Ober led those present in the Pledge to the Flag.

Chairman LeBrun explained the Purpose of the Public Hearing is to accept public comment on the following:

- a) Pursuant to RSA 273-A to consider the approval of the proposed Collective Bargaining Agreement between the Hillsborough County Nursing Home and AFSCME Local 2715 (cost items only);
- b) Pursuant with RSA 24:10 to consider the approval of a Tripartite Cooperative Agreement with UNH and the Cooperative Extension;
- c) Pursuant to RSA 35 to consider the establishment of a Capital Reserve Fund, to designate \$634,809 of the Nursing Home Proprietary Funds Unrestricted Net Position (surplus) to the fund for the purpose of capital improvements at the Hillsborough County Nursing Home and to designate the Board of Commissioners as the agents of the County to carry out the capital projects;

d) Pursuant with RSA 24:13-c to consider the approval of the Hillsborough County Executive Committee Proposed F/Y 2019 Budget.

Chairman LeBrun advised those wishing to speak should fill out the blue public comment cards at the sign in desk in the back of the room and submit them to the Clerk, Rep. Larry Gagne. He stated the order of speakers will be determined by the Chairman and noted that each speaker will have three (3) minutes allotted.

Chairman LeBrun introduced the elected officials and department heads, along with the Subcommittee Chairman.

Budget Subcommittee Chairman:

Rep. Kurk	Subcommittee A	Nursing Home
Rep. Ulery	Subcommittee B	Department of Corrections
Rep. Gagne	Subcommittee C	Sheriff Office
Rep. Belanger	Subcommittee D	Register Deeds, Coop. Ext Conservation District County Convention/ Special Projects
Rep. Byron	Subcommittee E	Commissioners Office of Administration and Finance - Revenue/County Debt-Insurance/Manchester Courthouse - Public Assistance Temple St/County Complex
Rep. Ober	Subcommittee F	County Attorney/Medical Referee

Introductions of Elected Officials

Commissioner Pappas	District 1 Chairman Board of Commissioner
Commissioner Rowe	District 3
Commissioner Bergeron	District 2
Attorney Dennis Hogan	County Attorney
Ms. Pam Coughlin	Register of Deeds
Sheriff Jim Hardy	Sheriff Office

Department Heads

Carolyn Kirby	Legal Counsel
Chad Monier	County Administrator
David Ross	Nursing Home Administrator
David Dionne	Superintendent of Department Corrections
Dan Reidy	Cooperative Extension

Chairman LeBrun reported there were six Subcommittees this year consisting of approximately 70 Delegation Members. He noted these various subcommittees met with the department heads and elected officials in order to go over their proposed F/Y 2019 Budget. Chairman LeBrun stated that the Executive Committee met for one (1) day to review the Subcommittee recommendations. Chairman LeBrun noted that the Executive Committee's recommendations and Revenues and Expenditures are contained in the booklet available at the back of the room and reminded that the recommendations are subject to modification. Chairman LeBrun reported that the Delegation will consider the F/Y 19 proposed budget on Wednesday June 20, 2018 at 6:00 PM.

Chairman LeBrun then called upon County Chief Negotiator Attorney Elizabeth Bailey to provide an overview of the cost items in the proposed Collective Bargaining Agreement between Hillsborough County Department of Corrections and AFSCME Local 2715 (cost items only).

Attorney Bailey thanked the Negotiation team for their hard work and effort. Attorney Liz Bailey then provided a summary of the negotiation efforts regarding the Tentative Collective Bargaining Agreement with the Board of Commissioners on behalf of the County Nursing Home and AFSCME Local 2715. She stated negotiations commenced on 4/20/17, for a total of seven negotiation sessions. Attorney Bailey noted the current contract expired June 30, 2018 and the proposed contract covers a two year agreement, beginning July 1, 2018 through June 30, 2020. Attorney Bailey noted this bargaining agreement consists of approximately 312 line staff set forth in the recognition clause of the agreement. Atty. Bailey highlighted the operating cost of the contract, noting the average salary is \$28,259.67 and the average hourly wage is \$16.46/ hr. \$9.50/hr is the lowest earned hourly wage and the highest earned hourly wage is \$37.08/hr. She noted this agreement includes a \$.20 wage adjustment in the first year and a \$.25 merit increase on the employee anniversary date, upon satisfactory performance. Attorney Bailey also reported a one-time bonus payment for six employees of \$1,000 for full time and \$500 for part time staff. As stated by Attorney Bailey , the contract also includes the elimination of one holiday (Columbus Day) for a cost savings of \$37,862 and the elimination of one sick day, for a cost savings of \$37,862 . Attorney Bailey indicated the cost projection is \$128,680.36 equal to a 1.46% increase in year one. In the second year of the contract, agreements of a \$.20 wage adjustment and \$.25 merit increase were made. She reported this total cost adjustment is \$329,132.55, equal to a 2.24% increase in the second contract year. Atty. Bailey reviewed article changes that included language modifications, not solely cost adjustments, including articles 5.5, 8.1, 8.2, 9.4, 9.8, 10.5, and article 18.1.

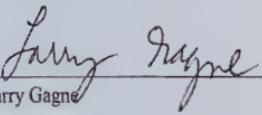
Chairman LeBrun asked County Administrator Chad Monier to provide presentation on the Proposed Capital Reserve Fund and Agreement with UNH Cooperative Extension. Administrator Monier noted the six year agreement with UNH Cooperative Extension requires Delegation approval for renewal. Mr. Monier provided a brief overview of the Capital Reserve Fund, noting that in accordance to RSA 35:1 the estimated total renovation equals \$634,809 to fund the requested capital improvements at the Hillsborough County Nursing Home.

Chairman LeBrun requested Clerk, Rep. Larry Gagne follow up with any complete blue comment cards to accept public comments on the CBA's, the Capital Reserve Fund Proposal, a Tripartite Cooperative Agreement with UNH and the Cooperative Extension, and the Proposed FY 2019 Budget.

Both Chairman LeBrun and Clerk, Rep. Larry Gagne confirmed there were no Public Comment Cards completed.

Chairman LeBrun stated that the Executive Committee would meet immediately following the close of the Public Hearing. Chairman LeBrun accepted a *motion* from Rep. Gagne, 2nd by Rep. Belanger to conclude the public hearing.

Adjourn Meeting at 6:19pm.



Rep. Larry Gagne
Delegation, Clerk

7-27, 2018

Date Approved

Hillsborough County Legislative Delegation

June 20, 2018 6:00pm

Bouchard Building, Goffstown, NH

MINUTES

Present: Chairman Don LeBrun, Vice Chairman Jim Belanger, Clerk Larry Gagne,
Representatives: R. Backus, B. Baroody, R. Barry, A. Bouldin, J. Burt, F. Byron, S. Chandley, R. Christie,
P. Cornell, L. DiSilvestro, E. Edwarss, J Elber, J. Fedolfi, E. Ferreira, A. Forest, M. Freitas, C. Gargasz, J.
Graham, B. Griffin, M. Heath, C. Hebert, D. Hinch, M. Jack, J. Jeudy, M. King, P. Klee, N. Kurk, B.
L'Heureux, P. Long, M. MacKay, L. Mangipudi, M. McLean, R. McNamara, J. Moore, S. Newman, J. Notter,
L. Ober, R. Ober, R. Panasiti, M. Porter, M. Proulx, A. Renzullo, K. Rice, C. Rosenwald, C. Rouillard, J.
Schmidt, K. Scully, C. Seidel, B. Shaw, T. Smith, C. Sofikitis, K. Souza, J. Ulery, C. Van Hauten, K.
Williams, T. Wolf

Others: Sheriff James Hardy, Deputy Chief Gary Fisher, Carolyn Kirby, Esquire, County Administrator Chad
Monier, Register of Deeds Pam Coughlin, Delegation Coordinator Mandi Sutton, James Vacca (DOC), Mary
Kay MacNichol (COFA), Dan Reidy (Extn), Marlene Montminy (DOC), NH Administrator David Ross,
Michael Lencki (NH), Lee Lowell (NH), Commissioner Toni Pappas, Commissioner Robert Rowe,
Commissioner Paul Bergeron, County Attorney Dennis Hogan, Claire French (COFA), Superintendent David
Dionne, Meaghan Brady (St. Joseph Community Services), Boija Alvarez de Toldeo (CFS), D. Hynes, Claire
Fedolfi, Lorraine Lencki.

The meeting was called to order by Chairman LeBrun at 6:42pm. A quorum existed. Those present
participated in the Pledge to the Flag.

MOTION: To authorize the Hillsborough County Board of Commissioners to accept any funds made
available to Hillsborough County during F/Y 2019 and to deposit same in the general fund or any fund
otherwise designated by the provider's terms on acceptance of grants by Rep. Cornell, 2nd by Rep. Kurk.
Motion passed on a voice vote.

MOTION: Consistent with RSA 28:8-d. to authorize the Executive Committee and the Hillsborough
County Board of Commissioners to enter into agreements for the use of County owned real property proved
the agreements so no exceed 12 months and contain a clause allowing the County to terminate without cause
upon 30 days' notice by Rep. Jack, 2nd by Rep. Williams. Motion passed on a voice vote.

MOTION: Pursuant to RSA 35:1 to establish a Capital Reserve Fund with the total appropriation of
\$634,800 for the purpose of renovations to the Hillsborough County Nursing Home as follows:

1. Nursing Home Multi Zone Ductless A/C Systems

For the repair and replacement of the multi zone ductless a/c system in the medication rooms and
nurses' station offices within the Hillsborough County Nursing Home and to appropriate Twenty
Thousand Dollars (\$20,000) of the Nursing Home Proprietary Funds Unrestricted Net Position for
said purpose and further to designate the Board of Commissioners as the agents of the County to carry
out the stated objectives.

2. Nursing Home Dishroom Project

For the repair and replacement of existing electrical and plumbing of the Dietary Department
associated with the commercial dish machine within the Hillsborough County Nursing Home and to
appropriate Twenty-One Thousand Four Hundred (\$21,400) of the Nursing Home Proprietary Funds
Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the
agents of the County to carry out the stated objectives.

3. Nursing Home Wireless Nurse Call System

For the purchase and installation of a six (6) unit Wireless Nurse Call System within the Hillsborough County Nursing Home and to appropriate One Hundred Forty-Four Thousand Dollars (\$144,000) of the Nursing Home Proprietary Funds Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the agents of the County to carry out the stated objectives.

4. Nursing Home Metal Roofing

For the purchase and installation of a new Metal Roof to replace the Nursing Home shingled roof sections and to appropriate One Hundred Ninety Thousand Dollars (\$190,000) of the Nursing Home Proprietary Funds Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the agents of the County to carry out the stated objectives.

5. Nursing Home Waterproofing and Caulking of Brick Exterior

For the repair and renovation to seal and caulk the Nursing Home Brick Exterior and to appropriate One Hundred and Three Thousand Four Hundred and Nine Dollars (\$103,409) of the Nursing Home Proprietary Funds Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the agents of the County to carry out the stated objectives.

6. Nursing Home Shower/Tub Room Renovations

For the renovation and repair of the resident Shower/Tub Room on the Unit A1, Unit A2 and Unit B2, within the Hillsborough County Nursing Home and to appropriate One Hundred Twelve Thousand Dollars (\$112,000) of the Nursing Home Proprietary Funds Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the agents of the County to carry out the stated objectives.

7. Nursing Home Whirlpool Tub with Reservoir

For the purchase and installation of a whirlpool tub with reservoir on renovated tub rooms Unit A1 and Unit A2, within the Hillsborough County Nursing Home and to appropriate Forty-Four Thousand Dollars (\$44,000) of the Nursing Home Proprietary Funds Unrestricted Net Position for said purpose and further to designate the Board of Commissioners as the agents of the County to carry out the stated objectives by Rep Kurk 2nd by Rep. Shaw. Motion passed on voice vote. Rep. Kurk noted the total appropriation for this capital reserve account is \$634,809.

Motion: Consistent with RSA 24:10, to approve the Tripartite Cooperative Agreement between Hillsborough County, the University of NH and UNH Cooperative Extension and to authorize the chairman of the County Convention to sign the document by Rep Belanger 2nd by Rep. Williams. Motion passed on voice vote.

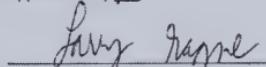
Motion: Pursuant to RSA 273-A:3 to approve the cost items in the proposed Collective Bargaining Agreement between the Hillsborough County Department of Corrections and AFSCME Local 2715 AFL/CIO (cost items only) for the term of July 1, 2018 to June 30, 2020 by Rep Ulery 2nd by Rep. Mangipudi. A scrivener's error on the applicable Hillsborough County department was noted for the record. The CBA is between the Nursing Home staff covered by AFSCME 2715 and Hillsborough County. Motion passed on voice vote.

Motion: To approve the Executive Committee Proposed F/Y 2019 Hillsborough County Budget for a total appropriation of \$98,572,868 and that the sum of \$55,792,640 to be raised in county taxes by Rep Rouillard 2nd by Rep. Williams. Rep. Rouillard noted this was the opening motion for cost items for the budget and suggested no vote until all amendments were complete.

Motion: to approve the Hillsborough County Executive Committee Proposed F/Y 2019 Budget as amended for a total appropriation of \$ 98,201,549 and to designate \$ 3,000,000 of the final surplus figure upon closing of the County records for F/Y 2018 for the purpose of reducing the County tax rate and that the sum of \$53,921,321 be raised by County taxes by Rep. Heath 2nd by Rep. Hinch. Rep. Heath explained the Total FY 19 Budget is \$98,201,549; the Total amount to be raised by taxes is \$53,921,321; a Total Surplus of \$3,000,000 made up of \$1,000,000 General Fund Surplus and \$2,000,000 of the Nursing Home Proprietary Fund's unrestricted net position is to be applied to the budget, all of which results in a .36% decrease in the amount to be raised by taxes below the Fiscal Year 2018. She also noted the Delegation has established a Capital Reserve Fund of \$634,809, funded from NH Proprietary Fund, for renovations at the Nursing Home. Several representatives inquired about the increased Proportional Share fund revenue. Rep. Kurk noted HHS is requesting a return of some of the monies to fund the IDN's for mental health and opioid services in the county. That request will be addressed at a later delegation meeting in September/October when HHS has provided additional information. Rep. Hinch indicated the HHS request needed to be more fully vetted by the Executive Committee. Motion passed on voice vote.

Motion: To Adjourn by Rep. Hinch 2nd by Rep. Kurk. Motion passed on voice vote. Meeting adjourned at 7:12pm.

Approved: July 27, 2018



Larry Gagne, Delegation, Clerk

HILLSBOROUGH COUNTY EXECUTIVE COMMITTEE

CONTINGENCY FUND REPORT

F/Y 2018

<u>Contingency Appropriation</u>		\$312,314
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County Complex

4198-7810	County Complex	\$ 36,000
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Department of Corrections

4230-7010	Salaries/Wages	\$175,919
4230-7100	SS/Medicare	\$ 3,444
4230-7130	Retirement	\$ 49,172

Total Expended		\$228,535
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Hillsborough County Executive Committee
PUBLIC HEARING
MINUTES

September 12, 2018 6:00pm
Bouchard Building, Goffstown, NH 03045

Present: Chairman D. LeBrun, Vice Chairman J. Belanger, Clerk L.Gagne, Representatives: R. Backus, B. Baroody, J. Burt, F. Byron, S. Chandley, R. Christie, P.Cornell, J Elber, J. Fedolfi, E. Ferreira, M. Freitas, B. Griffin, M. Heath, C. Hebert, D. Hinch, M. Jack, J. Jeudy, M. King, P. Klee, N. Kurk, P. Long, M. MacKay, R. McNamara, S. Newman, J. Notter, L. Ober, R. Ober, R. Panasiti, M. Porter, A. Renzullo, K. Rice, C. Rosenwald, J. Schmidt, K. Scully, C. Seidel, B. Shaw, T. Smith, J. Ulery, C. Van Hauten, K. Williams, T. Wolf , J. Manley, D. Pierce, C. Rouillard, L. Gould, J. Goley, E. Edwards, T. Smith, A. Forest, P. Hansen, S. Harvey, D. Murotake, T. Twombly, B. Ohm, C. Dyer

Others Present: C. French (COAF), C. Monier(COAF), M. MacNichol (COAF), Commissioner Pappas, Commissioner Bergeron, D. Reidy (UNH Extension), Attorney C. Kirby, M. Sutton (Delegation), C. Fedolf, L. Lencki (HCNH), C. Whitaker (GNMHC), L. Madden (SNHH), Peter Janelle (Network Health, Region 4 IDN), M. Apfelberg (United Way), M. Craig (SNHH), H. Cantin (NAMI NH), D. Champagne (CBHC DRC), A. Lekas, T. Lekas, T. Soug (CMC), B. Greene, S. Stearns (NAMI NH), M. Tyron (GNMHC), A. Walker (CMC), C. Edwards-Appell.

The Public Hearing meeting was called to order at 6:03 pm. Chairman LeBrun requested Representative Ober lead those present in the Pledge to the Flag.

Chairman LeBrun explained the Purpose of the Public Hearing is to accept public comment on the following:

Pursuant to RSA 24:13-c, to consider approval of a supplemental appropriation request by the State of New Hampshire Department of Health and Human Services to help support Integrated Delivery Networks in the County and to fund same out of the Nursing Home's proprietary fund's undesignated fund balance;

Pursuant to RSA 28:8-d, to consider ratification of the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court;

Chairman LeBrun noted that those wishing to speak should fill out the blue public comment cards in the back of the room and submit them to the Clerk, Representative Larry Gagne. He noted that the order of speakers will be determined by the Chairman and each speaker will have three (3) minutes.

Chairman LeBrun asked County Administrator Chad Monier for presentation on the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court. Mr. Monier provided an overview of the current Goffstown Circuit Court Agreement. County Administrator Chad Monier noted that the lease extension up

for consideration is between Hillsborough County, acting by, through the Board of Commissioners and the State of New Hampshire Administrative Services Bureau of Court Facilities for use of the second floor of the Bouchard Building located at 329 Mast Road, Goffstown, NH. Mr. Monier noted that the agreement is an extension of the original lease. He noted the breakdown of the square footage regarding the rental space noted in this agreement, concluding the premise is comprised of approximately 8,342

Procedure	# of Procedures	# Officers Involved
Fire	156	234
Escape	203	285
Lock-down	150	193

square feet for total useable space in the Bouchard Building 2nd floor. Of which 7,277 square feet is slated to be utilized by the Circuit Court, approximately 905 sq. is dedicated to the Division of Juvenile Justice Services, and approximately 160 square feet is utilized for storage. Mr. Monier reported that the current five year lease ends November 30, 2018. He mentioned that the Goffstown Circuit Court Agreement is for the term of five years, commencing on December 1, 2018 through November 30, 2023. Mr. Monier reported that this agreement details the annual rent escalation in the new lease for a five year term of \$942,629.09 with a 1% escalation in rent in the first year, 1.5% escalation in the second year, 1% escalation in third year, 1.5% escalation in the fourth year, and 1% escalation in the fifth year of contract.

Chairman LeBrun asked if there were any questions for Mr. Monier. No questions were presented and Chairman LeBrun inquired if there was a motion to recommend the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court to the full Delegation. Representative Williams asked if the motion takes place at the Delegation meeting, scheduled at 6:30pm. Representative Ober stated the Executive Committee needed to make a recommendation for acceptance to the full Delegation.

Representation Hinch, made a **MOTION** to recommend the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court to the full Delegation, 2nd by Representative Williams.

Representative Ober inquired to Mr. Monier what protections are included in this lease to protect the County in the event the Judicial Branch fails to maintain the building, citing the recent neglect of the Hillsborough County facility utilized by the Department of Corrections, referring to the building which previously housed the New Hampshire State Woman's Prison.

Chairman LeBrun stated that he was reminded that the Executive Committee had made a motion to recommend the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court to the full Delegation was already done on July 27, 2018 therefore no action is needed at the Public Hearing.

Representative Ober noted there doesn't appear to be any protection for the County in the proposed lease. She stated new information has presented how properly the Woman's Prison was left by the State of New Hampshire, citing a recommendation to tear down the facility at County expense. Representative Ober noted Representative Rouillard's request in July that the indemnification be added to the lease. Representative Ober stated this was not done and she has concerns entering into a similar lease. Mr. Monier answered Representative Ober's inquiry, noting the provision 8.3 failure to Maintain. While Mr. Monier stated he understood the concern regarding the current state of the facility which formally housed the N.H. State Woman's Prison, he reported the extensive negotiation in this particular State renewal, noting the tenant/ landlord relationship in the Goffstown Circuit Court Agreement has not been a concern in the past five years.

Chairman LeBrun reminded the Committee that the Goffstown Circuit Court Agreement has already been approved to pass on to the full Delegation, noting no action is required.

Chairman LeBrun next invited Commissioner Meyers from the State of New Hampshire Department of Health and Human Services to provide a presentation regarding DHHS' request for Delegation support regarding the Integrated Delivery Networks in the County.

Commissioner Meyers inquired if he was presenting at both the Public Hearing and the Delegation meeting scheduled at 6:30pm. Chairman LeBrun confirmed the presentation is solely scheduled for the Public Hearing.

Commissioner Meyers introduced himself and referred to two handouts he offered in conjunction with his presentation (Attached). He stated the intent of his presentation was to briefly review the status of the Behavioral Health waiver and to make a request for funding for 2018.

Commissioner Meyers stated that the Behavioral Health waiver is a program that was approved by the Federal Government in January, 2016. The waiver, he noted, enables the State to earn up to \$30 million a year that gets invested in seven IDNs. Commissioner Meyers stated this is not a grant, and that the funds needed to be earned. He reported that seven groups of providers of social service agencies are challenged with the task to build capacity to deliver services to the County. Commissioner Meyers noted the goal of delivering services to individuals in the County that have required an institutional setting, such as Jail, can help ensure they do not return to the institution.

Commissioner Meyers referenced page 5 of the handouts provided that depicted a map of the State of New Hampshire which illustrated all of the seven delivery networks. He noted that Hillsborough County is serviced by two Integrated Delivery Networks. He introduced Lisa Madden, Executive Director of Southern NH Medical Center oversees the southern part of Hillsborough County, in Network 3. Commissioner Meyers also introduced Peter Jenell, who previously ran Manchester Mental Health Center, is now the Executive Director of IDN 4, which allocates services in the northern portion of Hillsborough County.

Commissioner Meyers noted the waiver program is overseen by DHHS

and held accountable by the Federal Government, stating that the agency does not choose projects. He reported that the IDNs are locally run and locally governed programs. He indicated the Executive Boards of each IDN are, in part, selecting the projects and making funding allocation decisions. Commissioner Meyers stressed that DHHS does not take money from this program. He stated DHHS is required by the Federal Government to hire an outside auditor to evaluate the waiver program, spending a total of approximately \$800,000 over 5 years, noting that half of which are general funds. Commissioner Meyers noted that DHHS has taken less than half a million dollars from a program that is scoped at approximately \$150 million dollars.

Commissioner Meyers emphasized the waiver program is operated by many local community partners, recognizing several in attendance. He mentioned Alice Walker from CMC, Tim Soucy from City of Manchester, representatives from Granite United Way, and Noah Ryder from Manchester Community Mental Health. Commissioner Meyers stated these are local individuals providing services to the community under the authority granted by the Federal HHS Secretary.

Commissioner Meyers stated the program was scoped to run at \$30 million dollars a year, and that those funds were generated by matching State and County Healthcare expenditures that are not normally eligible to be matched. He noted an example of the State Legislature that appropriates funds to be spent on emergency mental health services that are for non-Medicaid individuals, which are general funds. Commissioner Meyers indicated the State spends general funds on tobacco sensation programs, from general funds that are not otherwise matched by the Federal Government.

Commissioner Meyers stated DHHS received approval from CMS to match Federal dollars for seven programs that total approximately \$9.8 million dollars. He reported the State will continue to draw down the Federal match deeming funds are spent on designated program services. Commissioner Meyers stated the balance of the cost of the program was always envisioned to come from the Counties, as the State does not have more than \$10 million dollars from the general funds to cover program costs. He noted that the Counties incur expenses at their nursing homes, which are not matched by ProShare. Commissioner Meyers reported that when a County establishes a Medicaid rate for a day of services that gets discounted by roughly 30% every year. He stated that delta is not otherwise matched. Commissioner Meyers reported that all nursing homes were reviewed across the State and that there was about \$10 million dollars in Medicaid allowable costs that were not matched. These eligible matching costs, he reported, produced \$20 million dollars.

Commissioner Meyers noted the meeting process with leaders to assist in the understanding of this program. He recognized, in retrospect, the benefit to have met with all the Delegations at that time. Moving forward, Commissioner Meyers requested Hillsborough County's consideration of participation and funding for the current year.

Commissioner Meyers noted that in 2017 the State was able to generate

roughly \$25 million dollars in ProShare payments. He stated that under the terms of the new waiver, CMS required a review of how the program was structured. He reported that, based on the Medicare and Medicaid structures at that time, ProShare would decrease. Commissioner Meyers recognized Henry Lipman of DHHS as formulating a plan to group the nursing homes into two groups. As a result, Commissioner Meyers noted \$48 million dollars in ProShare payments was generated to the State in 2017, as opposed to \$25 million dollars. He reported in 2017, Hillsborough County received \$4 million dollars in ProShare payments. In 2018, Hillsborough County received \$12 million dollars in ProShare payments, noting this was \$8 million dollars more than in the previous year. Commissioner Meyers stated that every County got a bump based on the new methodology, which will continue well beyond 2020 when the waiver ends. Commissioner Meyers reported that all Counties will benefit from the opportunity to claim ProShare payments based on the new methodology, as long as the basic cost structure of the nursing home stays the same.

Commissioner Meyers made a request to Hillsborough County for the 2018 equivalent of one half of the ProShare payment increase of \$8 million, specifically for \$4 million dollars to be transferred back to the State for the sole purpose to go into the contracts approved by the Governor and Council for the IDNS for services in supports of the two IDN regions that serve Hillsborough County.

Chairman LeBrun asked Commissioner Meyers to pause his presentation, noting the time of 6:30 pm. Chairman LeBrun indicated his action to convene the full Delegation meeting, and his intent to immediately recess the Delegation meeting until the closing of Commissioner Meyers' presentation to make a full determination.

The Delegation Meeting was convened at 6:30 pm and called to recess at 6:31 pm by Chairman LeBrun.

Commissioner Meyers continued with his presentation, and referred to the provided handout which demonstrated all ProShare payments to the State to date. He reported currently 6 counties have approved the request of 50% funding return to DHHS. He noted Hillsborough, Rockingham, Belknap and Carroll Counties have yet to make a determination. Commissioner Meyers stated that each county is different, and it is his belief that the most approachable method to comprehend this request from DHHS was to note the surplus of unplanned revenue. The strategy of requesting each county return 50% of the ProShare payment would offer enough backing to continue the waiver approval and ensure funding of Integrated Delivery Networks. Commissioner Meyers reported the waiver will continue in 2019 and 2020, however DHHS is only requesting funds for 2018 at this time. He stated his intent to return to the Delegation next year for review.

Chairman LeBrun opened the opportunity for questions. Representative Hinch inquired, if the Delegation doesn't approve the transfer request, is the County responsible to provide IDNs on our own. Commissioner Meyers responded this was absolutely untrue. Commissioner Meyers reported the IDNs are an extension of the waiver. He noted if any County could not contribute to the return request for any reason, then DHHS would have to review the programs in that area and make adjustments for the services in

that County.

Representative Hinch clarified that it was his understanding from the last presentation that if the County didn't approve the transfer, and then Hillsborough County would have to initiate IDNs to continue services. Commissioner Meyers stated that there is nothing in the waiver, New Hampshire law, or in the regulations that would require any County to fund IDNs in the absence of this approval.

Representative Williams noted that this waiver is a State program and is a partnership with the Federal Government. He offered that other states are most likely applying for the same waiver programs with the Federal Government. Representative Williams inquired if, deeming funds were available, it was more appropriate for the State to fund this waiver program as opposed to relying on County funding. Commissioner Meyers replied that if the money was available at the State level perhaps that would have been a consideration. He mentioned since this is not an option, it was important to recognize that constituents from the entire state benefit from this program, affecting all Medicaid eligible individuals. He noted the Counties are involved with this program because of the costs incurred and associated with County nursing homes. He stated that the support services from the IDNs can reduce the number of people going into the nursing homes because of support to retain them in the community. Commissioner Meyers stated it is entirely appropriate for the Counties to fund this waiver and noted that the Counties are mandatory partners in every IDN.

Representative Williams followed up asking for clarification regarding the population serviced in the waiver. He noted the nursing home example was confusing because it was his understanding that this was a Behavioral Health program, focusing on mental health and the opioid crisis. Commissioner Meyers apologized for any confusion and noted his example wasn't to assume that this program touched every individual in a nursing home. He noted the infrastructure to support individuals who require institutional services and are going back into the community. Commissioner Meyers reported the cost of keeping individuals in a nursing home outweighs the cost to support them in the community.

Representative L. Ober thanked Commissioner Meyers for his presentation. She inquired on page 7 of the provided handout, which indicated 'the State must meet statewide metrics in order to secure full funding beginning in 2018'. Representative Ober requested confirmation that these metrics have been met and full funding has been granted. Commissioner Meyers confirmed the metrics have been met. Representative L. Ober requested that, if the Delegation provides approval, statewide metrics be provided to the Executive Committee for next year's request to obtain a full understanding of the program. Commissioner Meyers confirmed this would be made available.

Representative Porter requested a follow up regarding Representative Hinch's previous question. She noted that six Counties have provided approval for the funding requests, and DHHS is currently awaiting a determination from the remaining four Counties. Representative Porter noted that the cities of Manchester and Derry fall under different IDN regions. She inquired what would happen in that District if not all Counties approve the

funding request. Commissioner Meyers responded that it is his hope that all will agree to support this funding request. He noted that it is a process, and until confirmation is provided by all Counties, it is unclear what the final budget numbers are. Commissioner Meyers stated once DHHS is aware of all Counties involved, he can then have a reasonable conversation regarding the IDNs. Representative Porter asked if the full range of services would be provided in a region that did not support waiver funding. Commissioner Meyers confirmed that if the budget is not available to offer the array of services needed, adjustments would need to be considered.

Representative Scully inquired if the goal of the waiver was to maintain programs or enhance services. Commissioner Meyers confirmed the initiative is to maintain current services in addition to focus on program expansion. Representative Scully followed up by inquiring if the County would be leveraging the budget. Commissioner Meyers confirmed that funding would be matched (doubled) by the Federal Government.

Representative Rouillard requested confirmation from Commissioner Meyers that Hillsborough County has already paid the required ProShare return to the State in the amount of \$12 million dollars, which is 50% of the money received by the County. Commissioner Meyers confirmed that DHHS did receive the \$12 million dollar payment from Hillsborough County. He noted that the transaction occurs within a 24 hour period. Commissioner Meyers stated that ProShare is generated from the State to the Counties, then funding is returned to DHHS, then matched by CMS, and then the portion that the State fronted is then put back into the general fund. Commissioner Meyers stated it is a fairly seamless transaction process.

Representative Rouillard clarified that the State is seeking \$4 million dollars from the excess funds to further enhance programs we are currently in now, noting that the County is under no obligation to return this payment. Representative Rouillard inquired whether the Federal Government approved the program methodology for the next two years, or if this is a one-time approval. Commissioner Meyers confirmed CMS has approved the methodology that generates the ProShare funds. He reported that each year the ProShare payment is determined by the Medicaid costs. Commissioner Meyers stated that once the cost reports are generated from the County Nursing homes, the final numbers determine the ProShare payment. He mentioned that the Federal Government has approved a State plan amendment to the State Medicaid plan that allows this methodology to continue to generate these additional funds. Representative Rouillard responded that there is no guarantee on the amount of money that the County will gain or need to pay out each year. Commissioner Meyers stated that unless the cost structure of the nursing home changes significantly, for budgeting purposes the County can assume they will receive a payment equal to or close to the \$12 million dollar payment received this year.

Representative Byron confirmed the DHHS request of \$4 million dollars for waiver funding. He referred to the handout provided at presentation that notes a 60% request, equal to \$5 million dollars. Commissioner Meyers responded that was an error. He explained that the initial request was proposed at 60%, however Commissioner Meyers verified the request from all Counties is now a 50% return.

Representative Belanger stated this program was expecting \$4 million dollars from Hillsborough County. He inquired what if only a \$1.5 million dollar return was approved? Commissioner Meyers stated that funding would not be matched, therefore it would double the impact, ultimately reducing IDN services.

Representative Ulery requested a guarantee that Hillsborough County funding would not go to another county. Commissioner Meyers stated there is no guarantee because individuals can access services in other districts. He mentioned that, as a small State housing 1.3 million residents, defining funding per County would not leverage health and social services agencies. He stated Nashua also provides a Integrated Dual Disorders Treatment Program. Commissioner Meyers state the common end goal is ensuring all citizens have access to services.

Representative Ulery stated the Delegation has a responsibility to Hillsborough County residents. He inquired why it was more appropriate for a remote program to offer services instead of private entities. Commissioner Meyers confirmed that the State has the Medicaid contract. He stated if separate Counties offered services the funds cannot be matched. Commissioner Meyers reported that the State contract doubles the return. Commissioner Meyers reiterated that the IDNs are operated by residents in the community and that a bulk of the projects are being funded in Hillsborough County, having a positive local impact.

Representative Kurk presented a **MOTION** to the members of the Executive Committee who were present to recommend to the Delegation a supplemental appropriation in the amount of \$4,199,571.25 and to fund the supplemental appropriation out of the Nursing home Proprietary Funds Unrestricted Net Position (surplus) and deposit the same in the FY 2019 Special Projects Budget 4145, Line 7290 for the purpose of supporting Integrated Delivery Networks in Hillsborough County, 2nd by Representative MacKay.

Representative Kurk noted that the Nursing Home surplus increased by \$8 million. Representative Kurk complimented Commissioner Meyers and Mr. Lipman on their effort to find another funding source to help reduce the tax rates and offer mental health services. Representative Kurk said it would be selfish to not approve this transfer request and stated he fully supports the supplemental appropriation to support the IDNs.

Chairman LeBrun noted action on this vote is on hold as discussion is ongoing.

Representative Long inquired if this program will enhance IDNs in other areas,. He stated that the cities of Manchester and Nashua carry the burden to provide services to other area residents since they have services established. Commissioner Meyers confirmed that enhancing services in other areas is a primary goal of the program so services are accessible to residents in areas outside the major cities.

Representative Twombly referred to a 401K example of matching funds, stating the County is receiving \$2 for every dollar spent. He noted that is a good deal but inquired what specific services are being offered to residents. Commissioner Meyers invited Peter Jenell, Executive Director of

IDN Region 4 Services to speak to Representative Twombly's question. Mr. Jenell indicated Region 4 began the Care Transitions program that provides coaching and support to individuals as they become integrated into the community returning from an institutional setting. He mentioned that unsupported health disorders often prevent individuals returning to the community to succeed after discharge from a hospital or jail. Mr. Jenell reported there have been 100 referrals made to the Care Transitions program, currently serving 49 individuals, using a science based practice.

Mr. Jenell reported that on Monday October 1, 2018 Region 4 will open a Partial Hospital Program in collaboration with Elliott Health Care system with support from the IDN. He stated based on the community needs assessment conducted in 2016 it was determined the need for this programming was missing in the continuum of care. He mentioned that referrals are currently coming in for this program. Mr. Jenell stated Region 4 funded roughly \$2.5 million dollars to 16 partners to work on integrating the care they provide to the Medicaid population.

Mr. Jenell noted that the changing model is utilized to focus on better integration of the care. He stated this approach will get better results and ultimately save money. He reported that the Manchester Mental Health center has a new team that focuses on individuals that frequently visit the Emergency Room. Mr. Jenell reported that Region 4 consists of Greater Manchester, Greater Derry, and Greater Salem areas, which include 18 communities, 13 in Rockingham County, 1 in Merrimack County, and 4 in Hillsborough County. Mr. Jenell mentioned that the waiver is a demonstration waiver and providers are encouraged to try different ways of treatment to determine what is most effective.

Dr. Widicker (Chief of Services) and Dr. M. Patalinjug Tyner (*Chief Medical Officer*) from Greater Nashua Mental Health Center joined Lisa Madden the Associate Vice President of Behavioral Health for Southern NH Health and the associate lead for Region 3 for presentation on programs in the Nashua area and surrounding communities. Ms. Madden indicated Region 3 consists of 40 community partners who are engaged in the program. She indicated there is a very thorough process of governments that allows all parties to understand how the funding is spent and contribute to the decision making as a community effort.

She reported programs offered are inclusive of an integrated care model. Ms. Madden stated that services to individuals with mental health issues, children in school focused on substance abuse prevention, and programs dedicated to individuals returning to the work force are offered through IDN support.

Dr. Widicker, the Chief of Services at Greater Nashua Mental Health Center noted that IDN support helps provide primary care services with an In-Care Model. She stated the benefit of offering primary care to individuals assists in maintaining independence to reduce the need for nursing home care. Dr. Widicker reported that the program currently services 70 individuals with mental illness. Additional services reported in Region 3, according to Dr. Widicker, include a care transition team, ESOL Cultural sensitivity programming, and an Integrated Dual Disorders Treatment Program. She stated that 11 of 67 patients currently receiving treatment under the

grant are individuals with mental health diagnoses.

Representative Burt referred back to Representative Ulery inquiry regarding DHHS' inability to guarantee services to each individual county. Commissioner Meyers reiterated that the State cannot spend money on programs it does not have, therefore if some counties do not invest in the program, DHHS will have to reevaluate services offered.

Representative Burt stated it is not fair for Hillsborough County funds to go to other county residents. He also inquired why the State couldn't utilize the \$47 million dollar opioid grant for IDN services. Commissioner Meyers clarified that the opioid grant offered is specifically dedicated to individuals that require medication assisted treatment. He mentioned the new HUB Model, which is assisting the IDNs, is being used in a specific way across the State, and is mandated by the Federal Government.

Representative Burt followed up by stating he assumes most of the individuals requiring services are on expanded Medicaid. He stated this should not affect tax payers. Commissioner Meyers responded that there are additional services that this program can provide.

Chairman LeBrun acknowledged one complete blue card for public comment and invited Mike Apfelberg from United Way to speak for three minutes. Clerk L. Gagne clarified that Mr. Apfelberg was not taking a position and his statement was informational. Mr. Apfelberg stated he wanted to provide more information regarding what an IDN was. He stated that he works for United Way, which is part of an IDN participant. Mr. Apfelberg reported United Way is a service agency that does not provide direct services, but has a seat at the table to represent the community in collaboration with other agencies such as Key Stone, Gateways, and Harbor Homes. United Way has been able to see many nonprofits working together on integrated substance, primary care, and mental health treatment.

Chairman LeBrun repeated Representative Kurk's **MOTION** to recommend to the Delegation a supplemental appropriation in the amount of \$4,199,571.25 and to fund the supplemental appropriation out of the Nursing home Proprietary Funds Unrestricted Net Position (surplus) and deposit the same in the FY 2019 Special Projects Budget 4145, Line 7290 for the purpose of supporting Integrated Delivery Networks in Hillsborough County, 2nd by Representative MacKay.

Representative Belanger stated he agrees the program has value, however he does not agree with the method of payment. He stated that Hillsborough County has a larger surplus than other counties, and as a result, it is unfair that Hillsborough County is being asked to contribute more. For this reason, Representative Belanger stated he does not support the funding request. Representative Kurk responded that each County paying 50% is not unfair because of the return received from the Government.

Representative Rouillard stated her middle name is Ann, however she disagrees with Representative Kurk in stating it is 'selfish' not to support this program. She stated she should be referred to as Claire "Selfish" Rouillard as she does not support this supplemental appropriation, citing that Hillsborough County has already paid our share. Representative Rouillard stated that this request is a windfall to cover what should be State expenses. She stated she will vote against this request. Representative Ulery confirmed he will also vote 'no' on this program request.

On a voice vote, the **MOTION** offered to Executive Committee members present **passes**; 3 opposed.

Chairman LeBrun stated that the Delegation would meet immediately following the close of the Public Hearing after a five minute break. Chairman LeBrun accepted a **MOTION** from Rep. Gagne, 2nd by Rep. Belanger to conclude the public hearing. On A voice vote, motion carries.

The Public Hearing was adjourned at 7:20 pm.

Larry Gagne

Rep. Larry Gagne

9-28, 2018

Date Approved

Delegation, Clerk

Hillsborough County Delegation MINUTES

September 12, 2018 6:30pm
Bouchard Building, Goffstown, NH 03045

Present: Chairman D. LeBrun, Vice Chairman J. Belanger, Clerk L.Gagne,

Representatives: R. Backus, B. Baroody, J. Burt, F. Byron, S. Chandley, R. Christie, P. Cornell, J. Elber, J. Fedolfi, E. Ferreira, M. Freitas, B. Griffin, M. Heath, C. Hebert, D. Hinch, M. Jack, J. Jeudy, M. King, P. Klee, N. Kurk, P. Long, M. MacKay, R. McNamara, S. Newman, J. Notter, L. Ober, R. Ober, R. Panasiti, M. Porter, A. Renzullo, K. Rice, C. Rosenwald, J. Schmidt, K. Scully, C. Seidel, B. Shaw, T. Smith, J. Ulery, C. Van Hauten, K. Williams, T. Wolf, J. Manley, D. Pierce, C. Rouillard, L. Gould, J. Goley, E. Edwards, T. Smith, A. Forest, P. Hansen, S. Harvey, D. Murotake, T. Twombly, B. Ohm, C. Dyer

Others Present: C. French (COAF), C. Monier(COAF), M. MacNichol (COAF), Commissioner Pappas, D. Reidy (UNH Extension), Attorney C. Kirby, M. Sutton (Delegation), C. Fedolf, L. Lencki (HCNH), C. Whitaker (GNMHC), L. Madden (SNHH), Peter Janelle (Network Health, Region 4 IDN), M. Apfelberg (United Way), M. Craig (SNHH), H. Cantin (NAMI NH), D. Champagne (CBHC DRC), A. Lekas, T. Lekas, T. Soug (CMC), B. Greene, S. Stearns (NAMI NH), M. Tyron (GNMHC), A. Walker (CMC), C. Edwards-Appell.

The Delegation meeting was called to order at 6:30 pm. A quorum exist ed.

Chairman LeBrun announced his intent to immediately recess the Delegation meeting until the closing of Commissioner Meyers' presentation and discussion at the Public Hearing.

The Delegation Meeting called to recess at 6:31pm.

The Delegation Meeting was called out of recess at 7:24 pm.

Chairman LeBrun explained the purpose of the Delegation meeting is

to:

1. Pursuant to RSA 24:13-c, to consider approval of a supplemental appropriation request by the State of New Hampshire Department of Health and Human Services to help support Integrated Delivery Networks in the County and to fund same out of the Nursing Home's proprietary fund's undesignated fund balance.
2. Pursuant to RSA 28:8-d, to consider ratification of the proposed Lease Agreement with the State of New Hampshire for the Goffstown District Court.

MOTION by Representative Kurk, 2nd by Representative Rice to approve a supplemental appropriation in the amount of \$4,199,571.25 and to fund the supplemental appropriation out of the Nursing Home Proprietary Funds Unrestricted Net Position (surplus) and deposit the same in the FY 2019 Special Projects Budget 4145, Line 7290 for the purpose of supporting Integrated Delivery Networks in Hillsborough County.

Speaking to the motion, Representative Hansen noted his concern there are not metrics provided where the money will be spent. He is discouraged there are not goals established for next year. Representative Hansen stated he will not support this program without program metrics provided by DHHS.

Representative Renzullo referred to the program similar to that of a 401K or coupon book. He mentioned that when you get a coupon book, the services offered are outlined. Representative Renzullo stated the program is unclear in terms of what services are being offered to the County.

Representative Burke called a Point of Order. He made a request to *amend the motion* on the floor. **MOTION** to defer a vote to another date, 2nd by Representative Ulery.

Representative Kurk requested clarification from Counsel regarding Representative Burke's amendment. Attorney Kirby clarified the amendment is more accurately a motion to table, and the motion required a 2nd.

Representative Burk withdrew his amendment to *defer* the motion, and Representative Ulery withdrew his 2nd. Representative Burke then made a **MOTION** to *table* the main motion on the floor, 2nd by Representative Ulery.

Representative Notter inquired what would happen if the motion was tabled. Representative Hinch clarified another Delegation meeting would need to be called to vote to have the motion be removed from the table and acted on. Request for a Roll Call. Clerk Gagne conducted and confirmed the Roll Call. **MOTION** fails, 15 ayes: 40 nays.

AYES: Representatives: J. Fedolfi, R. Christie, C. Rouillard, L. Gould, J. Elber, J. Notter, P. Hansen, E. Ferreira, K. Scully, B. Ohm, C. Dyer, A. Renzullo, J. Ulery, R. Ober, J. Burt.

NAYS: Representatives: M. Porter, N. Kurk, J. Manley, K. Williams, B. Griffin, D. Pierce, J. Goley, J. Jeudy, P. Long, E. Edwards, L. Gagne, M. Heath, M. Freitas, B. Shaw, T. Smith, P. Cornell, A. Forest, B. Backus, F. Byron, R. Hinch, R. Panasiti, J. Belanger, J. Schmidt, C. Seidel, S. Harvey, S. Newman, P. Klee, M. MacKay, C. Rosenwald, D. LeBrun, D. Murotake, M. King, T. Twombly, M. Jack, K. Rice, L. Ober, R. McNamara, B. Baroody, C. Hebert, C. Van Houten.

Representative Ohm questioned the quorum requirement. Chairman LeBrun verified the quorum requirement is 55 and declared a quorum existed. Representative Kurk made a MOTION to call the Question, 2nd by Representative Ober. On a voice vote, MOTION carries.

Representative Scully requested to make a new motion to reduce the payment to DHHS from 50% to 25%. Representative Kurk reminded the Delegation that the question was called. He stated a vote needs to be made on the main motion. Representative Kurk stated should the motion fail, then Representative Scully can make a new motion.

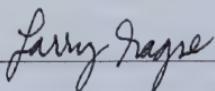
Chairman LeBrun called for a vote on the MOTION by Representative Kurk, 2nd by Representative Rice to approve a supplemental appropriation in the amount of \$4,199,571.25 and to fund the supplemental appropriation out of the Nursing Home Proprietary Funds Unrestricted Net Position (surplus) and deposit the same in the FY 2019 Special Projects Budget 4145, Line 7290 for the purpose of supporting Integrated Delivery Networks in Hillsborough County. On a voice vote, MOTION carries.

MOTION made by Representative Belanger, 2nd by Representative Shaw Consistent with RSA 28:8-D, to RATIFY THE Lease Agreement between Hillsborough County and the State of New Hampshire for the Goffstown District Court for a 5 year term commencing December 1, 2018 through November 20, 2023. On a voice vote, MOTION carries.

Chairman LeBrun asked Mr. Monier to address the Delegation. Mr. Monier reported that the New Hampshire Association of Counties Conference presents the McKenna Edna Award for Public Service to an individual who devotes their life to Public Service. Mr. Monier announced that Representative Kurk has been granted this award and will be presented at the awards ceremony on Tuesday September 18, 2018. A standing ovation was presented to Representative Kurk for his service.

Motion made by Representative Long, 2nd by Representative Rice to adjourn the Delegation Meeting. On a voice vote, motion carries.

Meeting adjourned at 8:04 pm.



Rep. Larry Gagne

Delegation, Clerk

9-28

, 2018

Date Approved

2018 Annual Report of Hillsborough County Conservation District

The District Board of Supervisors set priorities and goals for programs and assistance in an Annual Plan of Work. The following highlights of our activities and programs for 2018 are based on that Work Plan.

Held a spring plant sale fundraiser.

Provided seedlings through our plant sale fundraiser to a local farmer in Greenfield to assist him in putting in a riparian buffer on his property to meet his NRCS contract requirements.

The District rented out its no-till drill equipment to interested farmers within the County. The equipment was featured at a workshop in September where farmers in attendance were able to get a first-hand look and get questions answered.

Participated in a Conservation Field Day for Alvirne High School students at Beaver Brook Association.

Held our 2017 annual meeting in May at Alpine Grove in Hollis. The theme was “Farmland for Wildlife” and Matt Tarr, Wildlife Specialist with UNH Cooperative Extension, gave the keynote presentation on how fields, field edges and surrounding woodlots can provide habitat for various types of wildlife. We also honored Brookdale Fruit Farm (Hollis) as Cooperator of the Year and Kathy Parker, Riddle Brook School (Bedford) as Educator of the Year.

Secured funding to continue to work with Grow Nashua in creating a second learning garden at Dr. Crisp Elementary School (Nashua) which will serve Grow Nashua’s immigrant farmers, neighborhood community and students.

Secured funding to work with the Cornucopia Project (Peterborough) to assist in the sustainability of their Farm to Fork program that employs students from ConVal High School and provides them with hands-on farming and business experience.

HCCD is a member of the newly formed Nashua Food Council.

HCCD began work on a multi-year conservation easement monitoring project partnering with USDA Natural Resources Conservation Service.

Hillsborough County Gleaners, a program of HCCD & NH Farm to School, completed its sixth season. This continues to be one of the most successful District programs. Through the program, we were able to collect over 66,000 pounds of food and redistribute to those in need. New recipient organizations have been added this year and a new partnership with the Boys & Girls Club of Nashua.

Partnered with the Rockingham County Conservation District to offer an Erosion Control Field day for environmental professionals this fall.

Held a Warm Season Grass workshop at Connolly Brothers Dairy Farm (Temple) for interested farmers.

HCCD had a display at the Hillsborough County Agricultural Fair. HCCD hosted the NH Association of Conservation Districts annual meeting in November at Doubletree by Hilton hotel in Manchester. The theme was “The Future of Forestry & Agriculture”. The conference consisted of various workshop sessions geared towards forestry and agriculture. It was a well-attended, successful event. At the evening banquet, NH Commissioner of Agriculture Shawn Jasper and Brad Simpkins (NH Division of Forests & Lands) gave the keynote presentation.

Worked closely with NRCS to review and sign-off on landowners NH DES Wetland permit applications.

HCCD is playing an active role on the newly formed NH Soil Health Working Group. Soil penetrometer was available for loan to interested farmers to conduct their own soil tests on their property.

Held a Local Work Group meeting with local producers and other conservation organization representatives to identify current natural resource needs, set priorities and provide feedback on NRCS programs.

District Manager Kerry Rickrode is the Vice President of the Conservation District Employees Association of NH (CDEA-NH).

Calculated Soil Potential Index (SPI) ratings for residents looking for tax incentives for their current use efforts.

UNH Cooperative Extension

Hillsborough County

2018 Annual Report Highlights

For more than 100 years, and with the support of the Hillsborough County Commissioners and Delegation, Cooperative Extension continues to deliver on our mission to strengthen people and communities by providing trusted knowledge, practical education and cooperative solutions for the citizen of Hillsborough County.

From our county outreach center here in Goffstown and the support of Extension Specialists and Program Team Leaders throughout the state, Extension is delivering programming in Community & Economic Development, Natural Resources, Youth & Family and Food & Agriculture to people in Hillsborough Counties 29 towns and the state two largest cities. Our reach is extended greatly through the efforts of volunteers. In the program year ending on September 30, 703 volunteers logged 37,495 hours in at least one of 13 volunteer programs including Natural Resource Stewards, Master Gardeners, Lakes Lay Monitors, Education Center Volunteers, 4-H Program Volunteers, STEM Docents, or as members of our County Advisory Council. One volunteer wrote of their involvement in a community gardening group in Peterborough helping low income and immigrant families grow their own food.

Sustainable and efficient commercial agriculture production, practices and management are of primary importance to Extension, and the farming community as they are to the physical and economic health of our citizens and their communities. For example, 208 fertilization recommendations were made to 50 full or part time farm operations in the county for the last growing season. Pesticide Control Recertification credits were processed for 25 sessions and a dozen presentations or demonstrations were made on sprayer calibration and spray coverage. Calibrations or spray patterns were evaluated on 21 sprayers that treat 1400 acres of cropland. Integrated Pest Management (IPM) grants support sprayer calibration

efforts, along with Educational meetings for NH Beekeepers on *Honey Bee Health and IPM*, and a demonstration project for 35 winter hardy peach and nectarine varieties were planted. In coordination with Extension in Hillsborough County, local farmers donated 1100 pumpkins to 7 elementary and middle and 2 high schools, where 70 teachers use the pumpkins for science, math, English and art curriculums with 1200 students. In Amherst, Extension staff, working with their Conservation Commission, the US Fish & Wildlife Service and others are conducting a research project to investigate the response of mountain laurel and the New England Cottontail Rabbit to timber harvesting at the Joe English Reservation. We have, at the request of the Education Director at the Peabody Mill Environmental Center at the reservation, led the design, layout and establishment of an arboretum at the property, featuring species of native trees and shrubs. The town has contributed signage and our staff identified plants and created a self-guided educational map.

Natural Resources staff in this last program year have provided technical recommendations to more than 100 families on more than 18,000 acres of forest, leading to about a 15% increase in landowner revenue. Interfacing with town officials or their volunteers in 27 towns have lead at least 40% of those communities to pursue new or increased management goals. Last summer five different STEM (science, technology, engineering and math) camps were held at the STEM Discovery Lab at UNH Manchester. Students in grades 6-8 were introduced to mousetrap powered cars and earthquake engineering. Students in grades 3-5 studied “catching the wind” and roller coaster science. Outreach programs were brought to MPAL (Manchester Police Athletic League), Beech Street School and Northwest Elementary School. In Nashua the Boys and Girls Club participated in the pickle challenge, growing seedlings, making dill and bread & butter pickles, and showing them at the Hillsborough County Agricultural Fair in September, taking pride, along with their families in their efforts and ribbons. The Nutrition Connections staff provide nutrition, food budgeting, cooking and food safety education to low income audiences to improve diet, increase physical activity and to make better use of food dollars. Lessons are offered in English and

Spanish and in other languages with interpreters as requested. Three hundred eight (308) adults participated in programming and more than 1200 youth in Manchester and Nashua did as well. Volunteers including UNH Dietetic Interns, teachers, community members and agency collaborators logged more than 1900 hours with these programs. Collaborators include Keystone Hall, Nashua Soup Kitchen and Shelter, Angie's Place, New Horizons, ORIS and the Way Home.

Lear

n more about Extension and our local county offices through the Extension web site: extension.unh.edu, or contact me, Dan Reidy, County Relations Manager, at dan.reidy@unh.edu, or by phone: 641-6060.



REPORT OF THE HILLSBOROUGH COUNTY ATTORNEY FOR FISCAL YEAR 2018

. County Attorney Hogan is responsible for the prosecution of all non-homicide felony and misdemeanor offenses committed in Hillsborough County. The County Attorney also has oversight responsibility over all law enforcement efforts in the county as the chief law enforcement official in the county.

During the 2018 fiscal year, the Hillsborough County Attorney Office (HCAO) had 22 full and one part time attorney positions. That's more than the previous 2011 peak of twenty-two. The HCAO employed seven full time victim/witness advocates. The HCAO has two part-time investigators, one paralegal, and twelve support staff. The HCAO had two unpaid law school interns for the summer months although we had room for five. It is not unusual for one to stay as a volunteer and get additional court room experience before getting a full time job.

The staff is located in three locations, two in Nashua, at the County's old Court House building, and at the Superior Court. There is one office at the Superior Court in Manchester. Leslie Gill has been the First Assistant in the North office for one year. Kent E. Smith has been the First Assistant in the South office since 2012. The First Assistants provide management assistance to County Attorney Hogan in their respective offices. Merrill Beauchamp serves as the Director of Victim-Witness Services, a role she

began in 2014. Linda Vallee began her third year as Office Manager. Pamela Boardman, the Assistant Office Manager, provides her knowledge and expertise acquired since the 1980's to the South offices in Nashua.

In fiscal year 2017 Prosecutor by Karpel (PbK), our new management software, recorded receipt of 2720 cases (1883 in North and 837 in South). In the fiscal year 2018 we received 3871 (2682 in North and 1189 in South). That is an increase of 42 percent. Two Assistant County Attorneys in the North office are responsible for only Felony First arrangements and cases they identify as appropriate for Early Case Resolution. In the South office a full and part time ACA cover the same task. ECR is necessary to manage the significant increase in cases. With forty percent of cases being either drug possession or drug sales, the resolution of many cases is for defendants to deal with their drug and or mental health problems. In the calendar year 2017, we started 44 trials of which 27 resulted in convictions. The number of trials started in 2018 is trending down considerably due to the increase in cases (22 trials, 11 convictions as September 1).

County Attorney Hogan and his staff provided around the clock legal consultation and assistance to all the county's law enforcement agencies and reviewed the circumstances surrounding all untimely deaths that occurred in the county. Drug related deaths continue at the same alarming rate as previous years. However, there was no year over year increase in the amount of deaths from 2017 to 2018.

The HCAO participates in a procedure in both Hillsborough County Superior Courts – referred to as “Drug Court.” Two Assistant County Attorneys in each court participate on the team of professionals which include a judge, a probation and parole officer, a defense attorney, and a case worker. Defendants who would otherwise be sent to prison are required to return to court each week, have their urine tested for drugs and work on improvements to their lives during the week. In addition to refraining from drug use the improvements included acquiring a good place to live, improving their social group, and becoming a productive citizen by engaging in work. The goal is for 100 defendants to participate each year in this “Drug Court.” A dozen defendants did well enough for the Court to celebrate their progress with graduation ceremonies. There is hope these dozen, who negatively impacted the community will now improve it. This year we had one graduate that we know of slip back into drug use. Recovery is no easy task.

The HCAO continues as it has for over fifteen years to work closely with the Granite State Children’s Alliance which operates the Nashua and Manchester Child Advocacy Centers (CAC). The Assistant County Attorneys and Advocates go to the CAC to listen to interviews of children who are witnesses or victims of crimes. They give questions to the interviewer through an ear piece while listening to the interview along with a police

officer and, on some occasions, a member of the Division of Children Youth and Families. In the fiscal year 2017 the CAC, with an Assistant County Attorney's assistance conducted 50 interviews in Nashua and 118 in Manchester. In the fiscal year 2018 the CAC, with an Assistant County Attorney's assistance conducted 59 interviews in Nashua and 156 in Manchester.

Cases of interest prosecuted in the Northern District

In past years the County Attorney has described cases in which the office successfully prosecuted someone to show the variety of cases handled by the office. The cases described below are intended to be illustrative of the variety of challenges facing prosecutors instead of just successes. In some cases editorial comment is also provided.

State v Grace Wight

Grace Wight, a 19 year old college student pleaded guilty to causing the 2016 motor-vehicle death of a pedestrian by crossing the double yellow line and striking the 60 year old woman from behind on a dark rural road near the victim's home in Lyndeborough. Wight agreed to a suspended jail sentence, loss of her driver's license for seven years and 200 hours of community service.

The Assistant County Attorneys had begun a trial to prosecute Wight for two felony charges. However, after testimony of the NH State Trooper revealed delay in the investigation and delay in the trooper turning over notes on the case, Wight pleaded guilty to a single misdemeanor of vehicular assault.

State v John Quinn

John Quinn, age 37 pled guilty to Simple Assault, Indecent Exposure and Aggravated Felonious Sexual Assault and received a sentence of 19 to 38 years and several suspended sentences. His crimes involved assaulting a victim under 13 years of age in a variety of ways from unwanted kissing on the face (Simple Assault) to engaging in fellatio (AFSA) for which he will be in prison until he is 55 years old.

State v Richard Istvan

Richard Istvan, age 39, received a 12 month sentence with all but 30 days suspended. He had one day of pretrial credit. On June 30, 2017, Richard Istvan, was consuming alcohol. He went to his former girlfriend's (age 34) home while she ate pizza with her new boyfriend, aged 31. The new boyfriend answered the door and asked what R. Istvan wanted. R. Istvan responded by answering, "I want to speak to Amber" and pointing a hand

gun at the new boyfriend. The new boyfriend took offense, fought R. Istvan to the ground, disarmed R. Istvan, and removed the bullets from the gun telling R. Istvan, "Don't ever put a gun in my face." R. Istvan stumbled away from the scene until he was picked up by police officers responding to a call about the fight he had instigated.

Assistant County Attorney Brad Bolton prosecuted the case of Criminal Threatening with a Firearm. The charge holds a possible penalty of ten to twenty years and \$4,000 fine. The case went to trial and R. Istvan was found guilty by the jury.

In the sentencing phase Attorney Bolton asked the Court to sentence R. Istvan to two to four years in state prison. The Court declined the request and sent R. Istvan to the jail for four weeks with a \$1000 fine.

This is an illustration of the powers the Court has to determine the parameters of punishment. The legislature recognizing that pulling a gun to get what you want is a serious offense. The police take it seriously by responding quickly, investigating competently, and arresting the correct person. By spending the extra time to bring the case to trial, the prosecutor supports the legislature's intent and the work of the police. The jury of citizens of northern Hillsborough looked at the facts and found R. Istvan guilty. Essentially they found he pulled a gun and made a neighborhood in Manchester the scene of a fight. The time of legislators, police personnel, prosecutors and jurors were spent in the effort to make New Hampshire's largest city livable by seriously punishing someone for pulling a gun and pointing it at a rival. The Court sentenced the defendant to 30 days, less than one hundredth of the possible punishment.

State v Kyree Rice

Kyree Rice, aged 27, pled guilty to Attempted Murder and received a negotiated sentence of 12 to 25 years in New Hampshire prison. That happened on September 14, 2017 for a crime that occurred May 24, 2014. It took more than three years to conclude this case. The HCAO convicted the defendant in a jury trial but then the Supreme Court over turned the conviction. The Supreme Court found that the Superior Court failed to properly instruct the jury about the use of non-deadly force.

This case is a good illustration of the fact that sentencing is not necessarily the end of a case. We have to deal with habeas corpus petitions (and a variety of other jail house lawyer petitions), cases that are returned after appeal, defendants who violate their probation, and defendants who do not stay of good behavior during the time of a suspended sentence.

State v George Abbott

The Court sentenced George Abbott, aged 70, to three to six years in state

prison for felony animal cruelty when he killed his cat, Chloe, with a serrated knife. Abbott was also banned from owning, caring for or controlling another animal. His lawyer claimed the killing of his beloved cat was a sacrifice to God. Police took Abbot from the scene of the killing to the Secure Psychiatric Unit of the State Prison. Press reports state that Abbott will have to be cleared by state prison mental health staff before he can be paroled. He has been diagnosed with schizophrenia. Abbott was convicted of second degree murder of his roommate in 1984 and was out on parole when he abused and killed Chloe the cat.

Cases of interest in the Southern District

State v Salimullah

Mohammed Salimullah, age 41, received a sentence of 30 years to life for attempted murder after a jury trial prosecuted by Michele Battaglia and Leslie Gill. Although, the jury trial win is a significant achievement in itself, it is only a portion of the work involved in this case. On August 13, 2013 in an apartment very close to the Superior Court in Nashua, Mohammed Salimullah, a refugee from Burma, tried to kill his wife who was determined to leave him. Mohammed Salimullah attacked her by placing one hand on her mouth and then cut her neck with a knife near her carotid artery and jugular vein.

Mohammed Salimullah initially was judged to be incompetent to stand trial. The news media reported that Assistant County Attorneys prosecuted a civil commitment proceeding in the Probate Court. Mohammed Salimullah was committed to the Secure Psychiatric Unit of the N.H. State Prison then moved to the N.H. State Hospital. He was eventually found to be restored to competency. The county paid more than \$10,000 for the medical reports to pursue the case.

With M. Salimullah restored to competency he was indicted again and the Court ordered him held in the jail on a high bail. A plea agreement was reached after a day-long mediation session. However, M. Salimullah backed out of the agreement so the case was taken to trial in front of a jury.

After four years spent in custody Mohammed Salimullah still has at least 26 years to spend in New Hampshire State Prison.

State v Maryanne Jacobsmeyer

Maryanne Jacobsmeyer, age 52 plead guilty to charges of burglary and armed robbery before being sentenced to stand committed to the New Hampshire Prison for 10 to 20 years on the Armed robbery charge. The

victim was a 92 years old gentleman. Jacobsmeyer broke into the victim's home while he slept to tie him up with duct tape and take his property. Jacobsmeyer plead guilty to 6 additional charges of burglary for which the sentences were suspended.

State v Dekara Jay Anderson

Dekara Anderson, age 43, pled guilty to Sale of Cocaine, Second Drug Offense and received a sentence of 5 to 10 years to avoid the additional charge of Tampering with a Witness. While Dekara Anderson waited in the Hillsborough County House of Corrections (jail) to deal with a Drug charge he sent an improperly addressed letter to a female friend. Jail personnel inspected the contents of the envelope upon its return. The letter spelled out that he had tried other means of communication but that the letter was his best option. Dekara Anderson tells the intended recipient regarding the person Anderson thinks helped the Nashua Police nab him for drug sales that, "the fat bitch on C Street gotta go before she get a chance to grand stand." The jail personnel reported the letter and D. Anderson was additionally indicted for Witness Tampering. He then pled to the drug sales and the tampering charge was dropped.

HILLSBOROUGH COUNTY DEPARTMENT OF CORRECTIONS

The Hillsborough County Department of Corrections continues to bring quality correctional services to the citizens of our county and to the inmates. The following annual report was developed from the summaries produced by the divisions within the department – Security, Health Services, Training, Programs and Operations – noting accomplishments and highlights of fiscal year 2018.

FY 2018 STATISTICS

	<u>%</u>	<u>2017-18</u>
<i>Men Serving Sentence</i>	32%	37,810
<i>Women Serving Sentence</i>	34%	8,143
<i>Men Awaiting Sentencing</i>	68%	82,091
<i>Women Awaiting Sentencing</i>	66%	15,980
<i>Male Lease Bed Inmates</i>	0%	-
<i>Female Lease Bed Inmates</i>	41%	9,848
 <i>Prisoner Days (Men)</i>	 (Tot pt+st)	 119,901
<i>Prisoner Days (Women)</i>	(Tot pt+st)	24,123
<i>Largest Census Day</i>	5-Jul	510
<i>Lowest Census Day</i>	7-Apr	383
<i>Escapes/Walk-aways</i>		0/3

<i>Total Amount Processed - Male</i>	4,093	
<i>Total Amount Processed - Female</i>	1,575	
<i>Average Daily Population H.O.C.</i>	432	
<i>Average Daily Admissions - Male</i>	11	
<i>Average Daily Admissions - Female</i>	4	
	<u>%</u>	<u>ADP</u>
<i>County Inmates</i>	94%	395
<i>Lease Bed Inmates</i>	6%	27
		<u>Total Days</u>
		144,024
		9,848

Security Disciplinary Reports

Total Incident Reports written by staff	1,920
Total Disciplinary Tickets written by staff	2,673
Total misconducts written by staff	4,593

Top three Disciplinary Violations Class I

Positive alcohol/drug screen	59
Possession/use of alcohol, drugs, tobacco or flame items	57
Assault on another inmate	26

Top three Disciplinary Violations Class II

Positive alcohol/drug screen	762
Possession/use of alcohol, drugs, tobacco or flame	178
Assault on another inmate	166

Top three Disciplinary Violations Class III

Violation general rules	796
Failure to perform duties	323
Being in an unauthorized area/gathering in front of cell	276

HILLSBOROUGH COUNTY DEPARTMENT OF CORRECTIONS

HEALTH SERVICES

The Health Services Department continues its efforts to provide comprehensive medical, dental and mental health services to the inmate population. The number of individuals with mental illness (both treated and untreated) as well as the current heroin/fentanyl epidemic continues to challenge the health services department on a daily basis. Staffing has also been a challenge for health services as finding qualified healthcare staff who want to work in the correctional setting has been challenging.

The following demonstrates the services and comprehensive care provided:

51 inmates required inpatient hospitalization for a total of 156 days

There were 503 specialty consults

36 inmates required outside diagnostic testing (Ultrasounds, CAT Scans, MRI's and Echocardiograms to name a few)

100 inmates had x-rays, EKG's, and ultrasounds in-house

There were 407 medical transports

7 inmates required outpatient surgery

104 inmates required Emergency Room visits

Nurses triaged and provided intervention for 6,969 inmate sick call requests

Nurses provided admission physical/mental health intakes on 3,351 inmates

Nurses & Medical Assistant administered 3,231 TB tests to Inmates

The Physician examined/treated 127 inmates for chronic illnesses

The Physician examined/treated 224 inmates for acute illnesses

1,357 inmates received physical assessments

The Dentist examined/treated 272 inmates

The Psychiatrist examined/treated 22 inmates

The Psychologist examined 347 inmates

The Mental Health Clinicians saw 1,532 inmates

There were 1,010 suicide/behavior watches

There were 1,069 detoxification watches

There were 48 HIV positive inmates

92 inmates were tested for HIV, Hepatitis B, Hepatitis C, and other sexually transmitted diseases

HILLSBOROUGH COUNTY DEPARTMENT OF CORRECTIONS

94 inmates were provided reading glasses. There were 42 pregnant females, most of whom were IV drug users requiring methadone maintenance as well as requiring specialty high-risk pre-natal care.

TRAINING DIVISION

Staff development remains a goal of the Training Division. This facility realizes that the only true method to enhance the operations of all the divisions that make up the Hillsborough County Department of Corrections is through effective training opportunities. FY '18 training hours totaled 12,172.25 hours (255 courses totaling 2,820.25 hours and 9,352 officer candidate academy training hours).

DRUG / TOXICOLOGY SCREENING TRAINING

As the country and Law Enforcement fight the war on the opioid epidemic, a much higher percentage of our inmates are addicts. Each staff member received certification in both the Redwood Toxicology Oral drug screening and T-Cup Urinalysis Drug Screening devices. Each staff member also participated in the familiarization of the use of the PBT / Intoxilyzer S-D5 (Alcohol Breathalyzer).

BODY SCANNER TRAINING (SOTER RS)

With the increase in attempts by the inmate population to introduce contraband (weapons and/or drugs) into the facility, the department purchased the Soter RS Body Scanner. In an effort to ensure staff safety, staff received training on how to properly scan and identify potential contraband being hidden inside the human body.

14 Positive Scans –Contraband related – Drugs, Jewelry

MENTAL ILLNESS TRAINING

In a continuous effort to instruct staff in the ability of properly managing inmates with Mental Illness the individuals of the 58th, 59th and 60th Academy were trained in "Managing Inmates with Mental Illness". The training was provided by the Greater Nashua Mental Health Clinic. As Hillsborough County Department of Corrections continues to make mental health and drug addiction issues a priority, approximately 25 correctional staff members completed a two

day training program titled. Mental Health First Aid, in May September of 2018.

Facilitated by the Mental Health Center of Greater Manchester, participants were trained in noticing signs of mental health conditions, symptoms and how to respond and communicate effectively.

To ensure that the facility is prepared for critical incidents Hillsborough County Department of Corrections' staff conducted hundreds of emergency drills throughout the fiscal year. In FY '18" the staff conducted (509) Emergency Drills involving (712) Officers.

FY "18" Critical Incident Drill Analysis		
Procedure	# of Procedures	# Officers Involved
Fire	156	234
Escape	203	285
Lock-down	150	193

DEPARTMENT OF CORRECTIONS' TRANSPORT TEAM

This team provides the facility with the ability to safely transport inmates outside of the secure perimeter. Each transport team member successfully completes required training courses that have been deemed pertinent to an officer working within a community. Hillsborough County continues to receive positive feedback from an array of professional organizations, stating they are more than satisfied with the service this team has provided. Under NH RSA 30-B:25 and NH RSA 30-B:26

Inmate Transports Analysis Per Month

Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
38	18	26	48	52	45	42	34	26	27	23	28
											Total =
											407

Department of Corrections Officer Candidate Academy

The Training Division graduated (2) In-house Academy Classes, advancing (39) officer candidates. These Academies consisted of approximately (68) specialized training courses involving approximately (26) instructors. The academy is an approximate 233-hour program in which a group of **individuals**, with limited or no experience, develop into a knowledgeable and physically prepared **team** under the direct guidance of qualified supervisors. Officer Candidates must earn the opportunity to graduate by successfully completing numerous quizzes, a mid-term examination, and a final examination as well as achieving pre-determined physical fitness standards.

PROGRAMS DIVISION

REHABILITATION AND SELF-IMPROVEMENT PROGRAMS

Although the Hillsborough County Department of Corrections certainly understands the need for the incarceration of individuals who cannot conform to the standards of today's society, we also believe that these periods of incarceration need not be the simple "warehousing" of offenders. Inmates are encouraged to enroll in educational, religious, and self-help programs to increase their chances of success upon release and return to the community better prepared to face their own challenges.

The Hillsborough County Department of Corrections continually recruits volunteers from the community to provide a variety of rehabilitative and self-help services to the inmate population. We are extremely grateful to these volunteers and would like to acknowledge their efforts at this time. Currently, approximately sixty-seven (67) volunteers provide their services to this facility.

Listed below are the daily/routine programs that are offered to the inmate population and the number of inmates who participated in them during fiscal year 2018:

Program	Participants
Adult Basic Education/English as a Second	35 / 7
Alcoholics Anonymous	475
Anger Management	0
Breaking the Chains of Addiction	0
Celebrating Recovery	1,202
Christian/Catholic Bible Studies	1,294
Finding God	0
HiSet Classes (English and Spanish)	1,037
HiSet Diplomas (GED) Earned	15
Law Library	1,700
Narcotics Anonymous	7
Protestant Bible Study (Spanish)	126
Special Education Services (Tutoring)	0
SATCO	110
Twelve Step Program	0

Additionally, there are a number of programs offered to inmates on an intermittent schedule that are designed to improve life skills. A brief synopsis of these programs follows along with their attendance statistics for fiscal year 2018.

OPERATION IMPACT PROGRAM

This program truly exemplifies the community spirit instilled in all HCDOC staff members. It is a drug and alcohol awareness program intended to provide the youths of our community with a snapshot of life within a correctional facility and the stark realization of the effects of incarceration on the individual and his/her family. It includes a tour of the correctional facility and a question and answer period with prescreened inmates. The program allows inmates the opportunity to share their life experiences with participants in the hope that they will learn from the mistakes of others.

In fiscal year 2018, the Operation Impact message was delivered to one hundred and seventy-four (174) participants from nine (9) different schools. Operation Impact is now a standard component of several high schools social studies curricula. Several colleges in New Hampshire have also made a practice of including the Operations program with their criminal justice related courses. Forty-one (41) were court ordered.

THRESHOLDS AND DECISIONS

This program was designed to "...help inmates clearly see their situation in life, choose appropriate goals, and to develop skills which increase the chances of attaining those goals", participants attend a two-hour weekly class, as well as, a weekly one on one individual counseling session. Inmates must complete homework assignments and meet attendance requirements to complete the program. In fiscal year 2018, a total of fourteen (14) inmates met the requirements for graduation from this program.

ALTERNATIVE SENTENCING PROGRAMS ADMINISTRATIVE HOME CONFINEMENT AND DAY REPORTING

The Hillsborough County Department of Corrections has developed a strong focus on offender rehabilitation and reintegration back into the communities. Administrative Home Confinement and Day Reporting are the lowest security levels of classifications within the department.

It is in these classifications that offenders are supervised while in the community. This supervision level may include home confinement and electronic monitoring. Both classifications provide a benefit to the community and the offender. The community benefits when the offender returns with a higher degree of stability thus, re-establishing themselves as a more productive member of the community. The offender benefits through enhanced opportunities in gaining or maintaining full-time employment, access to community programs and the support received from family and friends. In fiscal year 2018, twenty-nine (29) offenders were placed in the community under this level of supervision.

PRETRIAL SUPERVISION PROGRAM

This is an alternative incarceration program for detainees awaiting trial. This program allows detainees to which the opportunity for a supervised community reintegration. Detainees are required to attend appropriate programs, such as, mental health treatment and/or substance abuse program, educational and training services and self-help groups. Detainees in this program can benefit from successful participation in one of these meaningful community-based Programs. In the event the detainee becomes a sentenced offender, it would become a matter of diverting the offender to the AHC classification. In this fiscal year, five (5) inmates were able to benefit from this program.

WORK RELEASE PROGRAM

This classification provides non-violent, minimum security offenders the opportunity for gainful employment outside the correctional facility. It instills a sense of personal responsibility and work ethic. This supervision level helped to reduce the recidivism rate by releasing an individual back into the community with job skills and experience they might not receive otherwise. It also provides the offender with an opportunity to pay court-ordered restitutions, fines and an opportunity to support their families while they complete their incarceration. In FY '18, fourteen (14) offenders were returned to the community with gainful employment.

SATCO PROGRAM

The Hillsborough County Department of Corrections is rolling into their **second year** of the Substance Abuse Treatment for Community Offenders (SATCO) Program which offers a three-track recovery model designed to progress inmates from clinical dependence to life -long sobriety where evidence based clinical care support services are at the core of our treatment.

Track 1: Inmates are placed in a - 60-day treatment - based on their level of Risk/Need. Inmates will attend the program, Monday- Friday, for eight hours a day. This program calls for providing inmates with an intensive drug education program while incarcerated and in the community. An inmate who completes a 60-day program and has a release date later than the program would be placed on the bracelet to continue treatment on the outside with private providers/agencies.

Track 2 (Work Release Programming): Inmates work full-time and participate in treatment groups.

Track 3 (AHC/Day Reporting/Programming): Inmates Are transition to electronic monitoring or Probation Supervision with weekly aftercare groups. The inmate will be supervised by correctional staff during this period of time and up until their release date. Offenders who successfully complete the recommended treatment and enroll in recovery support services will be eligible for early release into probation or an amended sentence.

Behind the walls treatment and recovery services will be coordinated with on-going support, including housing, employment, medical assistance and social security/disability (when appropriate). The Hillsborough County Department of Corrections will incorporate on-site intensive treatment, recovery support services and pathways to community reentry. On-site addiction treatment providers, including LADCs, Case Manager and medical staff will join correctional staff to ensure an integrated approach to security and support.

The SATCO program will be recommended by the courts and also open to sentenced inmates who volunteer to take part providing non-medical treatment. SATCO will provide a further option for judges and prosecutors in seeking an appropriate disposition of cases involving offenders with substance abuse disorders, in those cases, in which an offender's risk and needs assessment profile indicates that community based alternatives may not be appropriate. In fiscal year 2018, 111 offenders have participated in this program.

COMMUNITY SERVICE PROGRAM

Our Community Service Program was created to provide towns and municipalities within the county with a labor force to complete projects that would otherwise go undone due to limited resources and shrinking budgets.

The success of the program is readily apparent, as it has now expanded to include a variety of non-profit organizations, as well as, most Hillsborough County agencies.

INMATE TEMPORARY RELEASE PROGRAM

N.H. RSA 623:1 gives the Correctional Superintendent the authority to approve “*temporary releases from custody for inmates, ...because of the imminently approaching death or funeral of a member of his immediate family or for other imperative and extraordinary purpose, including treatment, counseling or rehabilitation programs, for a period not exceeding 72 hours...*”

In fiscal year 2018, a total of 16 inmates were authorized temporary releases from custody for a variety of reasons included in N.H. RSA 623:1. Each of these inmates completed their temporary releases without incident.

OPERATIONS DIVISION

FOOD SERVICE DEPARTMENT

The Food Service Department continues its efforts at providing a quality meal service for the entire inmate population while minimizing the impact on Hillsborough County taxpayers. In fiscal year 2018, approximately 491,174 meals were served to inmates at the budgeted average cost of \$1.22 per meal. This represents no increase from fiscal year 2017.

The Food Service Department augmented the employee work-force by logging approximately 70, 980 inmate work hours.

HOUSEKEEPING DEPARTMENT

The Housekeeping Department's responsibilities are often taken for granted at the correctional facility. The staff is frequently complimented on the overall appearance of the facility and takes great pride in maintaining the high level of cleanliness. Although this standard has become the “norm” at the facility, we have now entered our twenty-ninth (29th) operational year and efforts to maintain this criterion have increased accordingly.

The department also maintains the inventory of all inmate-clothing supplies, linens, and bedding.

The average daily inmate population of 417 inmates prevents sufficient storage space at the correctional facility and requires the department to maintain adequate stock of these items at the Goffstown Complex. The challenges of meeting the needs of an ever-changing inmate population on a daily basis continue to be met head on.

In addition to only two full-time staff members, the Housekeeping Department is augmented by the use of inmate workers. In fiscal year 2018, the following approximate inmate work hours were logged:

General Houskeeping:	9,825 hours
Laundry Service:	15,280 hours
Floor Care	2,750 hours

SUPPORT/CLERICAL DEPARTMENT

Local, state and federal law enforcement agencies frequently request a variety of valuable information and data maintained routinely at the correctional facility. This information is routinely used in on-going investigations, as well as during the course of sentencing convicted offenders. Information requested includes: recordings and call detail reports from the secure inmate telephone system, recordings and call detail reports from the inmate visiting room communication system, and a number of other sources of data and inmate records.

A significant responsibility for the Support/Clerical Department is the screening of all incoming inmate mail, as well as the processing of all outgoing inmate mail. Staff members must remain diligent with these responsibilities, as there are some who seek to introduce contraband into the facility via the United States Postal Service.

In fiscal year 2018, staff members screened a total of approximately 25,791 individual pieces of incoming inmate mail. This mail was broken down into the following categories:

ITEM DESCRIPTION	TOTAL NUMBER
Personal Correspondence	9,823
Legal Correspondence	11,530
Newspapers	2,173
Magazines	541
Packages	555
Mail Rejections – Contraband	1,672

IN CLOSING

I would like to express my sincerest gratitude and appreciation to the Hillsborough County Board of Commissioners; the Executive Committee; County Delegation; County Attorney's Office; our legal counsel, Carolyn Kirby; Hillsborough County Business Office; Hillsborough County Sheriff's Office and our most valuable resource – the dedicated, professional men and women of the Hillsborough County Department of Corrections.

David M. Dionne, CLS
Superintendent



Hillsborough County Nursing Home (HCNH)
Fiscal Year 2018 Annual Report

II. Census Statistics	FY 18 Total Days	ADC (avg. daily census)	FY 17 Total Days	ADC (avg. daily census)
Total Patient Days:	104,199	285.5	103,233	282.8
Medicaid (ICF):	72,514	198.7	71,728	196.5
Medicare (Skilled):	11,259	30.8	12,507	34.3
Managed Care (Skilled):	501	1.4		
Private Days (self pay):	15,258	41.8	15,699	43.0
Medicaid Pending:	527	1.4	244	0.7
Medicaid Hospice:	3,274	9.0	3,020	8.3
Hospice Private:	866	2.4	35	0.1

III. Revenue Statistics	FY 18	FY 17	Variance
Room & Board Revenue:	23,951,141	22,725,149	1,225,992
Medicaid Surplus:	86,907	176,076	(89,169)
Ancillary & Miscellaneous Revenue:	978,428	792,088	186,340
MQIP/Bed Tax Revenue:	3,732,461	3,512,135	220,326
Pro Share Revenue:	12,237,874	3,838,732	8,399,142
Total Revenue:	40,986,811	31,044,180	9,942,631

IV. Operating Expenses	FY 18	FY 17	Variance
Administration:	3,938,384	3,451,697	486,687
Maintenance:	1,043,426	992,527	50,899
Rehabilitation:	1,884,633	1,990,659	(106,026)
Dietary:	2,085,253	2,170,836	(85,583)
Nursing:	14,676,859	14,472,661	204,198
Laundry:	390,891	372,452	18,439
Housekeeping:	738,004	739,702	(1,698)
Physician/Pharmacy:	667,246	643,219	24,027
Recreation:	676,968	672,793	4,175
Social Services:	379,951	372,053	7,898
Beauty/Barber:	44,260	43,271	989
Depreciation:	350,204	398,646	(48,442)
Total Expenses:	26,876,079	26,320,516	555,563
<u>Net Operating Income:</u>	<u>14,110,732</u>	<u>4,723,664</u>	<u>9,387,068</u>
<u>Net Operating Income Before ProShare:</u>	<u>1,872,858</u>	<u>884,932</u>	<u>987,926</u>

V. Capital Projects

The following major projects were completed during FY 2018:

Replaced gazebo at front entrance

New paved emergency exit walkway at rear of facility
Bathroom renovations projects – Units C4 & ELU
Replacement of fire doors project
Replacement of exterior building sign
Kitchenette renovation project – CRU

VI. Licensure

In July, 2017, the New Hampshire Department of Health and Human Services, Bureau of Licensing and Certification, completed their annual licensure and certification survey. The health care portion of the survey resulted in three (3) deficiencies with the facility being back in complete compliance on August 20, 2017. There were zero (0) life safety deficiencies.

Sincerely,

David J. Ross, NHA

HCNH, Administrator

Hillsborough County Registry of Deeds

F/Y 18 Annual Report

The Registry of Deeds generated over 3.9 million dollars in revenue for fiscal year 2018. Over 39 million in real estate transfer fees were remitted to the New Hampshire Department of Revenue Administration. There were 60,526 documents recorded.

The advances of technology have and will continually benefit the public and users of the Registry of Deeds. On December 10, 2008, Electronic Recording was initiated with great success. Electronic recording is an important and convenient method of recording but still requires the same process for recording any document.

The user's fee has increased our revenue by \$117,203. This money is being utilized to lease, repair and replace equipment, which expands the Registry's customer services. These funds reduce my budget.

I am fortunate to have the support of a professional staff, a dedicated Deputy LuAnn Gero, and Lisa Adams controller/assistant. Representative James Belanger, Chairman of my budget committee and the committee members continue their hard work. You, the Commissioners, the Executive Committee, and the Delegation are to be commended for your interest and direction. All have contributed to the success of the Registry.

Pamela D. Coughlin
Register of Deeds

Income Statement

2017-2018

Revenue

Other Fees	581,981
4% Commission	1,637,430
4% LCHIP Commission	44,951
DRA Collected Stamps	291
Copy Fees	494,342
Electronic Payments	1,138,102
Tapestry Fees	51,131

Sub Total	3,948,228
Less refunds	17
Less unpaid deposited items	159
Total	3,948,052
Receivables	45,417
Total	3,993,469
GRAND TOTAL	3,993,469

Office of the Hillsborough County Sheriff
Sheriff James A. Hardy
Fiscal Year 2018 Annual Report

To the Citizens of the County of Hillsborough, members of the County Delegation and Board of County Commissioners,

I would like to thank the citizens of the county for the privilege and opportunity to serve as the 28th High Sheriff of Hillsborough County.

The Office of the Hillsborough County Sheriff continues its tradition of service to the county's citizens. Hillsborough County is the most populated county in the state and is comprised of New Hampshire's two largest cities, Manchester and Nashua, and twenty-nine towns, which includes some of the state's largest towns.

I, along with my command staff, provide direction, control, and guidance of office operations, personnel, and the workload. As Sheriff, I have the dual responsibilities of providing leadership and managing the budget.

This office is fortunate to employ dedicated, well-trained employees throughout the various divisions that comprise the Office of the Hillsborough County Sheriff. Our mandated duties and tasks are performed professionally thanks to our employees. I am proud to lead this group of men and women.

Our force of deputies all possess New Hampshire Police Standards and Training Council law enforcement certifications, each are state certified police officers.

Our deputies perform inherently dangerous duties every hour of every day. The workload is distributed among various divisions within the office of the Sheriff. While division assignments are made, the workforce is ready to assume other responsibilities on a moment's notice, to handle emergencies that need immediate attention and render assistance to other law enforcement agencies during critical incidents.

The Communications Division continues to provide emergency dispatch services for the Sheriff's Office as well as a number of other communities within the county.

In the Superior Courts, our court security officers are responsible for perimeter security, maintaining decorum within the courtrooms and security for the judges, staff, and general public.

In the Superior Courts, our court security officers are responsible for perimeter security, maintaining decorum within the courtrooms and security for the judges, staff, and general public.

Our staff of court security officers provides and promotes a safe and efficient judicial process. We are responsible for the custody and control of all prisoners in the Circuit and Superior Courts within the county.

A primary duty and responsibility of the Office of the Sheriff is the transportation of prisoners to courts within the county from correctional facilities across the state.

This office serves the two largest Superior Courts facilities in the state, the southern and northern districts of Hillsborough County, and the two largest Circuit Courts in the state, Manchester and Nashua, as well as four additional Circuit Courts throughout the county.

The Transportation Division of the office is also responsible for all on call transports to the cities and towns across the county as well as the transportation of individuals that require involuntary emergency mental health evaluations and hospitalization.

The Civil Division of the Sheriff's Office provides service of all forms of civil process for the courts within the County. The Division also provides service of process the county's residents from courts outside of Hillsborough County.

The Warrants / Criminal Division of the Sheriff's Office is responsible for the tracking, investigating and apprehending wanted persons following the issuance of capias from the County's Superior Courts.

Investigating the location of fugitives and coordinating the extradition of fugitives from other jurisdictions remains an important function of the Warrants/ Criminal Division. When a wanted person flees the State of New Hampshire to escape justice, it is our responsibility to return these fugitives to New Hampshire.

Our force of deputies assists local, state and federal law enforcement every day in their assigned areas of duty around the county.

Provided at the conclusion of this report is a statistical summary that includes the activities of the Office of the Sheriff and related revenues.

I look forward to meeting future challenges and will continue to provide professional services to the county's citizens in a cost effective manner.

On behalf of the men and women of the Hillsborough County Sheriff's Office, I want to thank the citizens and elected officials of Hillsborough County for their continued support.

Respectfully submitted,
James A. Hardy, Sheriff



Hillsborough County Sheriff's Office
Fiscal Year 2018 Annual Report

	Fiscal Year 2017	Fiscal Year 2018
TRANSPORTATIONS		
IEA / Mental Health	683	398
General Transports	15,016	15,379
Felonies First – Sept 2017	N/A	1,330
TOTAL	15,699	17,107
CIVIL		
Eviction Orders	1,543	1,284
Writs	14,806	13,737
TOTAL	16,349	15,021
Communications		
TOTAL Calls for Service	27,010	28,280
WARRANTS		
Felonies	1,173	1,466
Civil	678	413
Marital	179	177
TOTAL Cleared	2,030	2,056
REVENUE		
Civil	\$778,955	\$731,981
Bailiff Reimbursement	\$880,606	\$906,311
Detail Reimbursement	\$183,011	\$238,908
Drug Forfeiture/Seizure	\$254,621	\$36,573
TOTAL	\$2,097,193	\$1,913,773

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Financial Statements

June 30, 2018

and

Independent Auditor's Report

**COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
FINANCIAL STATEMENTS
June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
County of Hillsborough, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Hillsborough, New Hampshire, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Hillsborough, New Hampshire, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows therefor for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the County's proportionate share of the net OPEB liability, the schedule of County contributions, the schedule of changes in the County's total OPEB liability and related ratios, the schedule of changes in the County's proportionate share of the net pension liability, and the schedule of County contributions, or pages i-vi and 34-41 be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Valetin Chiksy & Company PC

Manchester, New Hampshire
January 3, 2019

Hillsborough County
Financial Management's Discussion and Analysis
For Year Ended June 30, 2018

As the Financial Managers of Hillsborough County we offer the readers of this document the following narrative overview and analysis of the financial activities of Hillsborough County for the fiscal year ended June 30, 2018.

REPORTING THE MOST SIGNIFICANT FUNDS OF THE COUNTY

The Government Accounting Standards Board (GASB) has initiated standards for reporting municipal financial activities each year. The standard, GASB No. 34, requires a County to report the activity in its most significant funds. Those funds are determined by the application of a defined test to the County's activity.

Hillsborough County currently has two significant funds to be reported. They include the following:

General Fund (Government Activities): The majority of County spending is reported as General Fund expenditures. These expenditures reflect the spending of all County departments except the Nursing Home. Expenses in this category include the expenditures of the Department of Corrections, Registry of Deeds, Sheriff's Office, County Attorney, Delegation, Cooperative Extension, Conservation District, and all Administrative Departments.

Proprietary Fund (Business-type activities): The revenue and expenditures of the Hillsborough County Nursing Home are isolated in a special fund (Proprietary Fund) that has been established for this purpose. Since a significant amount of expense is reimbursed (in whole or in part) by federal and state agencies it is critical to isolate the financial activity at the Nursing Home in this special fund.

FUND FINANCIAL STATEMENTS

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The County divides its funds into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: - Most basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the government-wide financial statements so readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County currently has two individual governmental funds: General and the Registry of Deeds Equipment Replacement Fund. Of these, the General fund is the only one that is considered a major fund, and is presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance.

Proprietary fund – This fund is used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as enterprise funds. Proprietary fund

financial statements use the economic resources measurement focus and the accrual basis of accounting, like the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside of Hillsborough County. The fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the County. The economic resources management focus and accrual basis of accounting is used for fiduciary funds, the same as that used for the proprietary funds.

The County's only fiduciary fund is the agency fund for the inmate savings, correctional commissary funds, Nursing Home patient funds, Sheriff bond and escrow funds, and court-forfeited funds.

Notes to the Financial Statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the fund financial statements.

Other Information - Additional schedules can be found immediately following the notes to the financial statements. These include the combining statements for the nonmajor funds and a schedule of budget to actual comparisons.

STATEMENT OF NET POSITION

The Statement of Net Position reports information about the County as a whole. This statement includes all of the assets of the County using the accrual basis of accounting, which is similar to the accounting method used by most private – sector companies. All current year revenue and expenditures are taken into account regardless of when the cash is received, or paid.

This report reflects the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources. This is one way to measure the financial health of the County. Over time, increases or decreases in the net position of the County are an indicator of whether the financial health of the County is improving or deteriorating. In the case of Hillsborough County the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,941,169 for fiscal year ended June 30, 2018. This figure represents an increase of \$10,572,579 over the fiscal year ended June 30, 2017.

A portion of the County's net position, (\$5,899,473), reflects its investments in capital assets, (e.g., land, buildings and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The statement following reflects the County's Net Position as of June 30, 2018.

Hillsborough County
Statement of Net Position
June 30, 2018

	2018	2017	2018	2017		
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	2018 Total County	2017 Total County
Assets						
Current Assets	\$ 21,599,848	\$ 20,002,894	\$ 39,755,996	\$ 29,330,132	\$ 61,355,844	\$ 49,333,026
Capital & Noncurrent Assets	<u>3,565,966</u>	<u>3,753,987</u>	<u>4,010,657</u>	<u>3,200,152</u>	<u>7,576,623</u>	<u>6,954,139</u>
Total Assets	\$ 25,165,814	\$ 23,756,881	\$ 43,766,653	\$ 32,530,284	\$ 68,932,467	\$ 56,287,165
Deferred Outflows of Resources	\$ 6,756,798	\$ 10,126,098	\$ 3,058,141	\$ 5,114,121	\$ 9,814,939	\$ 15,240,219
Liabilities						
Noncurrent Liabilities	\$ 39,857,662	\$ 42,243,987	\$ 18,255,614	\$ 21,301,930	\$ 58,113,276	\$ 63,545,917
Other Liabilities	<u>\$ 7,793,741</u>	<u>\$ 7,565,793</u>	<u>\$ 1,767,341</u>	<u>\$ 1,354,531</u>	<u>\$ 9,561,082</u>	<u>\$ 8,820,324</u>
Total Liabilities	\$ 47,651,403	\$ 49,809,780	\$ 20,022,955	\$ 22,556,461	\$ 67,674,358	\$ 72,366,241
Deferred Inflows of Resources	\$ 2,151,715	\$ 1,190,030	\$ 980,164	\$ 602,523	\$ 3,131,879	\$ 1,792,553
Net Position						
Invested in Capital Assets	\$ 3,565,966	\$ 3,753,987	\$ 2,333,507	\$ 2,194,632	\$ 5,899,473	\$ 5,948,619
Restricted	128,644	148,452			128,644	148,452
Unrestricted	<u>(\$21,575,116)</u>	<u>(\$21,019,270)</u>	<u>\$ 23,488,168</u>	<u>\$ 12,290,789</u>	<u>\$ 1,913,052</u>	<u>\$ (8,728,481)</u>
Total Net Position	\$ (17,880,506)	\$ (17,116,831)	\$ 25,821,675	\$ 14,485,421	\$ 7,941,169	\$ (2,631,410)
Total Liabilities and Net Position	\$ 31,922,612	\$ 33,882,979	\$ 46,824,794	\$ 37,644,405	\$ 78,747,406	\$ 71,527,384

CHANGES IN NET POSITION

Total County Activities:

During FY18, Hillsborough County generated \$103,437,165 in overall revenue. This was comprised of \$62,442,011 in general revenue and \$40,995,154 in revenue from business-type activities. Departmental expenditures for the fiscal year were \$92,864,586.

Governmental Activities:

Charges for services accounted for \$6,886,641 or 11.03 percent of the \$62,442,011 in governmental activities revenue and were primarily generated from the Registry of Deeds office, Sheriff's Department and the Department of Corrections. In addition, there was \$510,257 in operating grants, \$308,962 in interest income, \$436,769 in rental income and \$185,721 in miscellaneous income.

The cost of governmental activities for the fiscal year ended June 30, 2018 was \$65,988,507. Programs that were funded included General Government, Public Safety, Corrections, County Attorney, Registry of Deeds, Cooperative Extension and all administrative departments.

General government accounted for \$9,105,105 or 13.80 percent of overall expenditures of the County, which include expenditures of all the administrative departments and the Office of the County Attorney.

The Human Services Department represented expenditures of \$33,548,226 that were used to fund Interim Nursing Care.

The Sheriff's Office expended \$5,598,889 during the year to perform all of the statutory duties required of that office. These expenditures were offset by charges for services that amounted to \$1,871,160.

Expenditures in support of the operation of the Department of Corrections during the fiscal year equaled \$17,608,662. Offsetting revenue generated from services equaled \$941,923.

Budgeted invested fund earnings estimates were increased to reflect expectations from the current interest rate environment. The total amount generated equaled \$308,962 as compared to the budget amount of \$100,000.

Business-type Activities:

The Hillsborough County Nursing Home functions as a business-type activity (Proprietary Fund). Revenue is generated through the care of residents. Total revenue received by the Nursing Home in FY18 was \$40,995,154 and overall expenditures amounted to \$26,876,079. The Nursing Home's net position at fiscal year-end was \$25,821,675.

Charges for services increased at the Nursing Home by \$1,225,992 over the fiscal year that ended on June 30, 2017. Overall operating expenditures for the Nursing Home increased by \$555,563 over the prior fiscal year.

**Hillsborough County
Changes in Net Position
Actual Revenue and Expenditures
June 30, 2018**

	2018 Governmental Activities	2017 Governmental Activities	2018 Business-Type Activities	2017 Business-Type Activities	2018 Total Government	2017 Total Government
Revenues						
Program Revenue:						
Charges for Services	\$ 6,886,641	\$ 7,081,970	\$ 23,951,141	\$ 22,725,149	\$ 30,837,782	\$ 29,807,119
Operating Grants	510,257	1,502,597	16,057,242	7,526,943	16,567,499	9,029,540
Capital Grants						
General Revenues:						
County Taxes	54,113,661	53,086,847	-	-	54,113,661	53,086,847
Interest and Invested Funds	308,962	94,802	8,343	2,130	317,305	96,932
Rental Income	436,769	427,852	-	-	436,769	427,852
Miscellaneous	185,721	267,098	978,428	792,088	1,164,149	1,059,186
Total Revenue	<u>\$ 62,442,011</u>	<u>\$ 62,461,166</u>	<u>\$ 40,995,154</u>	<u>\$ 31,046,310</u>	<u>\$ 103,437,165</u>	<u>\$ 93,507,476</u>

Program Expenditures:

General Government	\$ 2,924,987	\$ 3,312,233	-	-	\$ 2,924,987	\$ 3,312,233
Sheriff	5,598,889	5,546,425	-	-	5,598,889	5,546,425
Corrections	17,608,662	17,190,608	-	-	17,608,662	17,190,608
Nursing Home			\$ 26,876,079	\$ 26,320,516	26,876,079	26,320,516
County Attorney	4,322,070	4,277,154	-	-	4,322,070	4,277,154
Medical Referee	127,625	100,071	-	-	127,625	100,071
Registry of Deeds	1,470,901	1,533,738	-	-	1,470,901	1,533,738

Human Services	33,548,226	32,526,685	-	-	33,548,226	32,526,685
Cooperative Extension	387,147	439,864			387,147	439,864
Intergovernmental	-	-	-	-	-	-
Total Expenses	\$ 65,988,507	\$ 64,926,778	\$ 26,876,079	\$ 26,320,516	\$ 92,864,586	\$ 91,247,294
Transfers	2,782,821	2,579,757	(2,782,821)	(2,579,757)		
Change in net position	(763,675)	114,145	11,336,254	2,146,037	10,572,579	2,260,182
Net assets 6/30/17 as restated	(17,116,831)	(13,653,019)	14,485,421	14,221,586	(2,631,410)	568,567
Implementation of GASB 75		(3,577,957)		(1,882,202)		(5,460,159)
Net assets 6/30/18	\$ (17,880,506)	\$ (17,116,831)	\$ 25,821,675	\$ 14,485,421	\$ 7,941,169	\$ (2,631,410)

COUNTY FINANCIAL ANALYSIS

Governmental Funds:

For the fiscal year ended June 30, 2018, the County reported a combined ending fund balance of \$13,806,107, which is an increase of \$1,369,006 from fiscal year 2017.

The General Fund is the primary operating fund for Hillsborough County. At the end of the fiscal year, the General Fund Balance was \$13,779,507. The General Fund Balance for the County increased by \$1,391,396 during the current fiscal year.

One measure of financial strength is the level of cash reserves (unassigned fund balance) that is maintained by the County. Hillsborough County has maintained an unassigned fund balance that has allowed the County to manage cash flow during the year and for the sixteenth year in a row eliminate the need to borrow in anticipation of taxes. This has saved the County thousands of dollars each year in interest expense.

Fund balance amounts totaling \$1,730,701 have been dedicated to the General Fund. The majority of this is reported as assigned and has been assigned for encumbrances.

The Unassigned Fund balance of \$12,048,806, as indicated, is unassigned. This balance may serve as a useful measure of the County's available resources.

The County's other Governmental Fund consists of the Registry of Deeds Equipment Replacement Fund. This fund was established to continue to provide services to the residents of Hillsborough County. The Registry of Deeds Equipment Replacement Fund designates a portion of the revenue collected by that department to be used to defray the costs associated with replacing equipment. The other Governmental fund balance as of June 30, 2018 consists of the Registry of Deeds Equipment Replacement fund balance of \$26,600.

Expenditures: Budgetary expenditures for the year were \$63,203,809, which was \$2,855,027 less than the budget of \$66,058,836. All departments across the county contributed to this under spending and returned money at the end of the fiscal year.

Revenue: Variances between actual revenue and budgeted revenue for fiscal year 2018 reflect a net positive variance of \$45,876.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements. Please refer to the business-type activities section listed previously for discussion on the activity in the proprietary funds.

Capital Assets - The County's investments in capital assets for its governmental activities amounted to \$3,565,966 (net of accumulated depreciation). In addition, the County's investments in business-type activities amounted to \$2,333,507 (net of accumulated depreciation). The following statement provides additional detail.

**Hillsborough County
Capital Assets
(Net of Depreciation)**

	2018	2017	2018	2017	2018 Total	2017 Total
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	County	County
Land Improvements	\$ 15,683	\$ 12,791	\$ 52,510	\$ 55,638	\$ 68,191	\$ 68,429
Buildings and Improvements	1,917,126	2,616,334	624,655	602,102	2,541,781	3,218,436
Equipment	1,183,527	1,064,702	1,656,342	1,536,892	2,839,871	2,601,594
Construction in Progress	449,630	60,160			449,630	60,160
	\$ 3,565,966	\$ 3,753,987	\$ 2,333,507	\$ 2,194,632	\$ 5,899,473	\$ 5,948,619

Additional information on the County's capital assets can be found in Note 3 of the Notes to Basic Financial Statements.

In Summary: Hillsborough County has continued to practice sound fiscal management in FY18. As a result the County continued to maintain available surplus at a level that allowed fiscal managers to insulate the County Taxpayers from fluctuation in the economy. The available surplus and the elimination of debt have allowed the County to maintain a bond rating of AA, to avoid unnecessary borrowing, and to minimize fluctuations in the tax rate.

Our Fiscal-Year 2019 operating budget reflects an increase of 3.5 percent over the Fiscal-Year 2018 operating budget.

CONTACTING THE FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of Hillsborough County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Chad D. Monier, County Administrator, Hillsborough County, 329 Mast Road, Goffstown, NH 03045, telephone (603) 627-5602, or visit the County's website at www.hcnh.org.

EXHIBIT A
 COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
 Statement of Net Position
 June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 51,997,895	\$ 83,923	\$ 52,081,818
Investments	5,034,616		5,034,616
Accounts receivable, net	241,335	2,217,647	2,458,982
Due from other governments	547,692	1,169,289	1,716,981
Internal balance	(36,225,059)	36,225,059	-
Prepaid expenses	3,369		3,369
Inventory		60,078	60,078
Total Current Assets	<u>21,599,848</u>	<u>39,755,996</u>	<u>61,355,844</u>
Noncurrent Assets:			
Restricted cash		1,677,150	1,677,150
Capital assets:			
Non-depreciable capital assets	449,630		449,630
Depreciable capital assets, net	<u>3,116,336</u>	<u>2,333,507</u>	<u>5,449,843</u>
Total Noncurrent Assets	<u>3,565,966</u>	<u>4,010,657</u>	<u>7,576,623</u>
Total Assets	<u>25,165,814</u>	<u>43,766,653</u>	<u>68,932,467</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	257,864	116,710	374,574
Deferred outflows related to net pension liability	<u>6,498,934</u>	<u>2,941,431</u>	<u>9,440,365</u>
Total Deferred Outflows of Resources	<u>6,756,798</u>	<u>3,058,141</u>	<u>9,814,939</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	264,704	157,697	422,401
Accrued expenses	432,356	462,631	894,987
Due to other governments	7,096,681	1,063,090	8,159,771
Unearned contributions		83,923	83,923
Total Current Liabilities	<u>7,793,741</u>	<u>1,767,341</u>	<u>9,561,082</u>
Noncurrent Liabilities:			
Other post-employment benefits obligation	5,950,559	2,909,188	8,859,747
Net pension liability	<u>33,907,103</u>	<u>15,346,426</u>	<u>49,253,529</u>
Total Noncurrent Liabilities	<u>39,857,662</u>	<u>18,255,614</u>	<u>58,113,276</u>
Total Liabilities	<u>47,651,403</u>	<u>20,022,955</u>	<u>67,674,358</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	134,443	67,142	201,585
Deferred inflows related to net pension liability	<u>2,017,272</u>	<u>913,022</u>	<u>2,930,294</u>
Total Deferred Inflows of Resources	<u>2,151,715</u>	<u>980,164</u>	<u>3,131,879</u>
NET POSITION			
Net investment in capital assets	3,565,966	2,333,507	5,899,473
Restricted	128,644		128,644
Unrestricted (Deficit)	<u>(21,575,116)</u>	<u>23,488,168</u>	<u>1,913,052</u>
Total Net Position	<u>\$17,880,506</u>	<u>\$25,821,675</u>	<u>\$7,941,169</u>

See accompanying notes to the basic financial statements

EXHIBIT B

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Primary Government		Total
		Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
General government	\$ 9,105,105	\$ 4,073,557		\$ (5,031,548)		\$ (5,031,548)
Public safety	23,335,176	2,813,084	\$ 61,124	(20,460,968)		(20,460,968)
Health and welfare	33,548,226	-	449,133	(33,099,093)		(33,099,093)
Total governmental activities	<u>65,988,507</u>	<u>6,886,641</u>	<u>510,257</u>	<u>(58,591,609)</u>	<u>\$ -</u>	<u>(58,591,609)</u>
Business-type activities:						
Nursing Home	26,876,079	23,951,141	16,057,242		13,132,304	13,132,304
Total business-type activities	<u>26,876,079</u>	<u>23,951,141</u>	<u>16,057,242</u>		<u>13,132,304</u>	<u>13,132,304</u>
Total primary government	<u>\$ 92,864,586</u>	<u>\$ 30,837,782</u>	<u>\$ 16,567,499</u>	<u>(58,591,609)</u>	<u>13,132,304</u>	<u>(45,459,305)</u>
General revenues:						
Property taxes				\$ 54,113,661		\$ 54,113,661
Interest and investment earnings				308,962	8,343	317,305
Miscellaneous				622,490	978,428	1,600,918
Transfers				<u>2,782,821</u>	<u>(2,782,821)</u>	<u>-</u>
Total general revenues and transfers				<u>\$ 57,827,934</u>	<u>(1,796,050)</u>	<u>56,031,884</u>
Change in net position				(763,675)	11,336,254	10,572,579
Net position (deficit) at beginning of year, as restated				(17,116,831)	14,485,421	(2,631,410)
Net position (deficit) at end of year				<u>\$ (17,880,506)</u>	<u>\$ 25,821,675</u>	<u>\$ 7,941,169</u>

See accompanying notes to the basic financial statements

EXHIBIT C

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
 Balance Sheet
Governmental Funds
 June 30, 2018

	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 51,971,295	\$ 26,600	\$ 51,997,895
Investments	5,034,616		5,034,616
Accounts receivable	241,335		241,335
Due from other governments	547,692		547,692
Prepaid expenses	3,369		3,369
Total Assets	<u>\$ 57,798,307</u>	<u>26,600</u>	<u>\$ 57,824,907</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 57,798,307</u>	<u>\$ 26,600</u>	<u>\$ 57,824,907</u>
LIABILITIES			
Accounts payable	\$ 254,704		\$ 254,704
Accrued expenses	432,356		432,356
Due to other governments	7,096,681		7,096,681
Due to other funds	36,235,059		36,235,059
Total Liabilities	<u>44,018,800</u>	<u>\$ -</u>	<u>44,018,800</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Nonspendable	3,369		3,369
Restricted	128,644		128,644
Assigned	1,598,688	26,600	1,625,288
Unassigned	12,048,806		12,048,806
Total Fund Balances	<u>13,779,507</u>	<u>26,600</u>	<u>13,806,107</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 57,798,307</u>	<u>\$ 26,600</u>	<u>\$ 57,824,907</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 13,806,107
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,565,966
Deferred outflows of resources and deferred inflows of resources that do not provide or require the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB liability	257,864
Deferred outflows of resources related to net pension liability	6,498,934
Deferred inflows of resources related to OPEB liability	(134,443)
Deferred inflows of resources related to net pension liability	(2,017,272)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Other post-employment benefits obligation	(5,950,559)
Net pension liability	<u>(33,907,103)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ (17,880,506)</u>

See accompanying notes to the basic financial statements

EXHIBIT D

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 54,113,661		\$ 54,113,661
Intergovernmental	510,257		510,257
Charges for services	6,769,438	\$ 117,203	6,886,641
Interest and investment income	308,555	407	308,962
Miscellaneous	622,490		622,490
Total Revenues	<u>62,324,401</u>	<u>117,610</u>	<u>62,442,011</u>
Expenditures:			
Current operations:			
General government	8,326,786	238,500	8,565,286
Public safety	21,742,314		21,742,314
Health and welfare	33,548,226		33,548,226
Total Expenditures	<u>63,617,326</u>	<u>238,500</u>	<u>63,855,826</u>
Excess revenues (under) expenditures	<u>(1,292,925)</u>	<u>(120,890)</u>	<u>(1,413,815)</u>
Other Financing Sources (Uses):			
Transfers in	2,782,821	98,500	2,881,321
Transfers out	<u>(98,500)</u>		<u>(98,500)</u>
Total Other Financing Sources (Uses)	<u>2,684,321</u>	<u>98,500</u>	<u>2,782,821</u>
Net change in fund balances	1,391,396	(22,390)	1,369,006
Fund balances at beginning of year	<u>12,388,111</u>	<u>48,990</u>	<u>12,437,101</u>
Fund balances at end of year	<u>\$ 13,779,507</u>	<u>\$ 26,600</u>	<u>\$ 13,806,107</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances - Governmental Funds (Exhibit D)	\$ 1,369,006
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(188,021)
Governmental funds report OPEB and pension contributions as expenditures.	
However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.	
Net changes in OPEB	(91,323)
Net changes in pension	<u>(1,853,337)</u>
Change in Net Position of Governmental Activities (Exhibit B)	\$ <u>(763,675)</u>

See accompanying notes to the basic financial statements

EXHIBIT E
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
June 30, 2018

	<u>Nursing Home Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 83,923
Accounts receivable, net	2,217,647
Due from other governments	1,169,289
Due from other funds	36,225,059
Inventory	60,078
Total Current Assets	<u>39,755,996</u>
Noncurrent Assets:	
Restricted cash	1,677,150
Capital assets:	
Depreciable capital assets, net	2,333,507
Total Noncurrent Assets	<u>4,010,657</u>
Total Assets	<u>43,766,653</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB liability	116,710
Deferred outflows related to net pension liability	2,941,431
Total Deferred Outflows of Resources	<u>3,058,141</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	157,697
Accrued expenses	462,631
Due to other governments	1,063,090
Unearned contributions	83,923
Total Current Liabilities	<u>1,767,341</u>
Noncurrent Liabilities:	
OPEB liability	2,909,188
Net pension liability	15,346,426
Total Noncurrent Liabilities	<u>18,255,614</u>
Total Liabilities	<u>20,022,955</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB liability	67,142
Deferred inflows related to net pension liability	913,022
Total Deferred Inflows of Resources	<u>980,164</u>
 NET POSITION	
Net investment in capital assets	2,333,507
Unrestricted	23,488,168
Total Net Position	<u>\$ 25,821,675</u>

See accompanying notes to the basic financial statements

EXHIBIT F
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Nursing Home Fund
Operating revenues:	
Intergovernmental revenue	\$ 16,057,242
Charges for services	23,951,141
Miscellaneous	978,428
Total operating revenues	<u>40,986,811</u>
Operating expenses:	
Administrative	3,938,384
Maintenance and operations	1,043,426
Physical therapy	1,884,633
Dietary	2,085,253
Nursing	14,676,859
Laundry	390,891
Housekeeping	738,004
Physician/pharmacy	667,246
Restorative services	676,968
Social services	379,951
Barber/beauty	44,260
Depreciation	350,204
Total operating expenses	<u>26,876,079</u>
Operating income	14,110,732
Non-operating revenues:	
Interest revenue	8,343
Net non-operating revenues	<u>8,343</u>
Transfers out	(2,782,821)
Change in net position	11,336,254
Total net position at beginning of year, as restated	<u>14,485,421</u>
Total net position at end of year	\$ 25,821,675

See accompanying notes to the basic financial statements

EXHIBIT G
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	<u>Nursing Home Fund</u>
Cash flows from operating activities:	
Cash received from patient care/services	\$ 24,768,190
Cash received from Medicaid pool funds	16,007,749
Cash paid to suppliers	(10,757,095)
Cash paid to employees	(15,864,141)
Net cash provided by operating activities	<u>14,154,703</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	(2,782,821)
Net cash (used) for noncapital financing activities	<u>(2,782,821)</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(489,079)
Net cash (used) for capital and related financing activities	<u>(489,079)</u>
Cash flows from investing activities:	
Interest on investments	8,343
Net cash provided by investing activities	<u>8,343</u>
Net increase in cash and cash equivalents	10,891,146
Cash and cash equivalents at beginning of year	27,094,986
Cash and cash equivalents at end of year	<u>\$ 37,986,132</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 14,110,732
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	350,204
Provision for bad debts	(100,000)
Change in deferred outflows	2,055,980
Change in deferred inflows	377,641
Changes in assets and liabilities:	
Accounts receivable	(61,379)
Due from other governments	(49,493)
Inventory	4,524
Accounts payable	(18,432)
Accrued expenses	30,223
Due to other governments	473,099
Unearned revenue	27,920
OPEB liability	(29,134)
Net pension liability	(3,017,182)
Net cash provided by operating activities	<u>\$ 14,154,703</u>

See accompanying notes to the basic financial statements

EXHIBIT H
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 389,555
Accounts receivable	<u>10,000</u>
Total Assets	<u>\$ 399,555</u>
LIABILITIES	
Due to specific individuals	\$ 399,555
Total Liabilities	<u>\$ 399,555</u>

See accompanying notes to the basic financial statements

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Hillsborough, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The County of Hillsborough, New Hampshire (the County) was established in 1769 under the laws of the State of New Hampshire. The County boundaries include thirty-one New Hampshire municipalities located in southern New Hampshire. The County operates under the Commissioner/Delegation form of government and provides services as authorized by state statutes.

The financial statements include those of the various departments governed by the Commissioners and other officials with financial responsibility. The County has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

2. Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is

**COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018**

presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County employs the use of three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the County's major governmental fund:

The *General Fund* is the main operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

2. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The County has no internal service funds. The following is the County's major proprietary fund:

The *Nursing Home Fund* accounts for all revenues and expenses pertaining to the County's Nursing Home facility operations. The Nursing Home Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County maintains one type of fiduciary fund: agency funds. The County's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's agency funds account for inmate savings, correctional commissary funds, sheriff bond, escrow and court-forfeited funds, and Nursing Home patient funds.

Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, charges for services and interest on investments.

Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources.

2. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The County's budget represents functional appropriations as authorized by the County Delegation. The County Delegation may transfer funds between operating categories as they deem necessary. The County adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2018, the County applied \$1,000,000 of its unassigned fund balance to reduce taxes.

Cash and Cash Equivalents

The County pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash, restricted cash, and the interfund receivable of the Nursing Home Fund.

Investments

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

Accounts Receivable

Nursing Home Fund accounts receivable at June 30, 2018 are recorded net of an allowance for uncollectible receivables of \$150,000.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Inventory

The County accounts for inventories under the consumption method on a first-in, first out basis. Inventories are recorded at cost.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition cost as of the date received. The County maintains a capitalization threshold of \$500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets of the business-type activities is also capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Years</u>
Land improvements	5-20
Buildings and improvements	3-87
Equipment	3-20

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to County personnel policy and collective bargaining agreements, employees may not accumulate sick and vacation time beyond one year.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement.

The estimated value of accrued sick time for the Nursing Home Fund has been accrued as a liability in that fund as required by accounting principles generally accepted in the United States of America.

Accrued Liabilities and Long-Term Obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Policy

Under GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County has segregated fund balance into five classifications: Non-spendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- **Non-spendable Fund Balance**: Amounts that are not in a spendable form or are required to be maintained intact.
- **Restricted Fund Balance**: Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- **Committed Fund Balance**: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

- Assigned Fund Balance: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned Fund Balance: Amounts that are available for any purpose; these amounts are reported only in the General Fund.

As of June 30, 2018, the County has not adopted a fund balance policy. In instances when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Nursing Home Fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2--DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Statement of Net Position:	
Cash and cash equivalents	\$ 52,081,818
Investments	5,034,616
Restricted cash	1,677,150
Statement of Fiduciary Net Position:	
Cash and cash equivalents	389,555
	<u>\$ 59,183,139</u>

Deposits and investments at June 30, 2018 consist of the following:

Cash on hand	\$ 141,870
Deposits with financial institutions	59,041,269
	<u>\$ 59,183,139</u>

The County's investment policy for governmental fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The County limits its investments to demand deposits, money market accounts, certificates of deposit, and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Currently, the County does not have an investment policy for assurance against custodial credit risk; however, the County has an agreement with the bank to collateralize deposits in excess of the FDIC insurance limits.

Of the County's deposits with financial institutions at year end, \$61,935,008 was collateralized by securities held by the bank in the bank's name.

NOTE 3--CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental activities:

	<u>Balance</u>	<u>7/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>6/30/2018</u>
Governmental activities:						
Capital assets not depreciated:						
Construction in process	\$ 60,160	\$ 389,470			\$ 449,630	
Total capital assets not being depreciated	<u>60,160</u>	<u>389,470</u>	<u>\$ -</u>	<u>\$ 449,630</u>		
Other capital assets:						
Land improvements	197,465	9,650			207,115	
Buildings and improvements	31,494,299	5,582			31,499,881	
Equipment	9,191,848	561,386			9,753,234	
Total other capital assets at historical cost	<u>40,883,612</u>	<u>576,618</u>	<u>\$ -</u>	<u>\$ 41,460,230</u>		

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Less accumulated depreciation for:

Land improvements	(184,674)	(6,758)	(191,432)
Buildings and improvements	(28,877,965)	(704,790)	(29,582,755)
Equipment	(8,127,146)	(442,561)	(8,569,707)
Total accumulated depreciation	(37,189,785)	(1,154,109)	-
Total other capital assets, net	3,693,827	(577,491)	-
Total capital assets, net	\$ 3,753,987	\$ (188,021)	\$ -
			\$ 3,565,966

Depreciation expense was charged to governmental functions as follows:

Governmental activities:			
General government			\$ 384,238
Public safety			769,871
Total governmental activities depreciation expense			\$ 1,154,109

The following is a summary of changes in capital assets in the proprietary fund:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018
Business-type activities:				
Land improvements	\$ 568,099	\$ 8,480		\$ 576,579
Buildings and improvements	8,299,502	102,091		8,401,593
Vehicles and equipment	5,683,045	378,508		6,061,553
Subtotal	<u>14,550,646</u>	<u>489,079</u>	<u>\$ -</u>	<u>15,039,725</u>
Accumulated depreciation:				
Land improvements	(512,460)	(11,609)		(524,069)
Buildings and improvements	(7,697,400)	(79,538)		(7,776,938)
Vehicles and equipment	(4,146,154)	(259,057)		(4,405,211)
Total accumulated depreciation	<u>(12,356,014)</u>	<u>(350,204)</u>	<u>-</u>	<u>(12,706,218)</u>
Total capital assets, net	<u>\$ 2,194,632</u>	<u>\$ 138,875</u>	<u>\$ -</u>	<u>\$ 2,333,507</u>

Depreciation expense was charged to the proprietary fund as follows:

Nursing Home	\$ 350,204
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NOTE 4—OTHER POST-EMPLOYMENT BENEFITS

Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense

	Deferred Outflows	OPEB Liability	Deferred Inflows	OPEB Expense
Cost-Sharing Multiple Employer Plan	\$ 374,574	\$ 2,683,536	\$ 41,459	\$ 253,995
Single Employer Plan	-	6,176,211	160,126	374,615
Total	<u>\$ 374,574</u>	<u>\$ 8,859,747</u>	<u>\$ 201,585</u>	<u>\$ 628,610</u>

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of \$172,989.

COST-SHARING MULTIPLE EMPLOYER PLAN

Plan Description

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

The OPEB Plan is divided into four membership types. Political subdivision employees, teachers and State employees belong to Group I. Police officers and firefighters belong to Group II. The OPEB plan is closed to new entrants.

Benefits Provided

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

Funding Policy

Per RSA-100:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contribution rates for the covered payroll of public safety employees and political subdivision employees were 4.10% and 0.30%, respectively, for the year ended June 30, 2018. Contributions to the OPEB plan for the County were \$374,574 for the year ended June 30, 2018. Employees are not required to contribute to the OPEB plan.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the County reported a liability of \$2,683,536 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2016. The County's proportion of the net OPEB liability was based on actual contributions by the County during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2017, the County's proportion was approximately 0.5869 percent, which was a decrease of 0.0227 percentage points from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized OPEB expense of \$253,995. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 8,468	
Changes in proportion and differences between County contributions and proportionate share of contributions		32,991
County contributions subsequent to the measurement date	<u>\$ 374,574</u>	
Totals	<u>\$ 374,574</u>	<u>\$ 41,459</u>

The County reported \$374,574 as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2018	\$ (35,108)
2019	(2,117)
2020	(2,117)
2021	<u>(2,117)</u>
	<u>\$ (41,459)</u>

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases	5.6 percent, average, including inflation
Investment rate of return	7.25 percent, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed income	25%	(0.25)-2.11%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.25%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.75%
Opportunistic	5%	2.84%
Total	<u><u>100%</u></u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2017 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

	Current	
1% Decrease	Discount Rate	1% Increase
Net OPEB Liability	\$ 2,920,485	\$ 2,683,536

SINGLE EMPLOYER PLAN

Plan Description

Hillsborough County, New Hampshire administers the retiree health care benefits program- a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The County provides health care benefits for retirees and their dependents. Benefits are provided through the County, and the full cost of benefits is paid by retirees. Employees of the County and their dependents are eligible for postemployment medical insurance based on the eligibility requirements under the New Hampshire Retirement System. Retired employees contribute 100% of the total premium cost. Surviving spouses may continue coverage for lifetime by paying the required medical premium rates. Dental coverage nor life insurance is offered to retirees.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>502</u>
	<u>512</u>

Total OPEB Liability

The County's total OPEB liability of \$6,176,211 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2016 and rolled forward to the OPEB plan's fiscal year end.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, rolled forward to the measurement date using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Inflation	2.60 percent
Investment rate of return	7.50 percent, net of investment returns, including inflation
Discount rate	3.87 percent
Healthcare cost trend rates	8.00% for 2016, decreasing 1.00% per year to an ultimate rate of 5.00% for 2019 and later years.

As of the June 30, 2018 measurement date, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members, therefore the 3.87% municipal bond rate was applied to all periods to determine the total OPEB liability. The municipal bond rate of 3.87% was determined based on the Bond Buyer 20-Bond GO Index published on June 28, 2018.

Pre-Retirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females, projected with generational mortality improvement using Scale MP-2015. Post-Retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females, projected with generational mortality improvement using Scale MP-2015.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 5,961,722
Changes for the year:	
Service Cost	309,966
Interest	222,179
Changes in assumptions or other inputs	(186,549)
Benefit payments	(131,107)
Net changes	214,489
Balance at June 30, 2018	<u>\$ 6,176,211</u>

Changes of assumptions and other inputs reflect an increase in the discount rate from 3.58% at June 30, 2017 to 3.87% at June 30, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.87%)	(3.87%)	(4.87%)
Total OPEB Liability	\$ 6,848,298	\$ 6,176,211	\$ 5,581,838

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower

**COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2018

(7.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (9.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rate:

	Healthcare Cost Trend	
1% Decrease	Rates	1% Increase
(7.00% decreasing to 4.00%)	(8.00% decreasing to 5.00%)	(9.00% decreasing to 6.00%)
Total OPEB Liability	\$ 5,354,519	\$ 6,176,211
		\$ 7,162,310

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$374,615. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	<u>\$ -</u>	<u>\$ 160,126</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>June 30,</u>	
2019	\$ (26,423)
2020	(26,423)
2021	(26,423)
2022	(26,423)
2023	(26,423)
Thereafter	<u>(28,011)</u>
	<u><u>\$ (160,126)</u></u>

NOTE 5—DEFINED BENEFIT PENSION PLAN

Plan Descriptions

The County contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members vested by January 1, 2012, who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have not attained status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by 1/4 of 1%. For Group II members who commenced service prior to July 1, 2011, who have not attained vested status prior to January 1, 2012, benefits are calculated depending on age and years of creditable service as follows:

Years of Creditable Service as of <u>January 1, 2012</u>	Minimum Age	Minimum Service	Benefit Multiplier
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Funding Policy

Covered police officers are required to contribute 11.55% of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The County is required to contribute at an actuarially determined rate. The County's contribution rates for the year ended June 30, 2018 were 25.33% and 11.08% of covered payroll to police officers and general employees, respectively. The County contributed 100% of the employer cost for police officers and general employees of the County.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's pension contributions to the NHRS for the year ending June 30, 2017, was \$3,668,916, equal to the required contributions for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the County reported a liability of \$49,253,529 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2016. The County's proportion of the net pension liability was based on actual contributions by the County during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2017, the County's proportion was approximately 1.0015 percent, which was a decrease of 0.0259 percentage points from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$4,895,282. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 111,678	\$ 626,856
Changes of assumptions	4,945,704	
Net difference between projected and actual earnings on pension plan investments		627,268
Changes in proportion and differences between County contributions and proportionate share of contributions	713,644	1,676,170
County contributions subsequent to the measurement date	3,669,339	
Total	<u>\$ 9,440,365</u>	<u>\$ 2,930,294</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pensions is reflected as an increase to unrestricted net position in the amount of \$6,510,071. The County reported \$3,669,339 as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the measurement periods as follows:

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

<u>June 30,</u>	
2018	\$ 577,274
2019	1,795,680
2020	1,481,563
2021	<u>(1,013,785)</u>
	<u>\$ 2,840,732</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2016, using the following actuarial assumptions:

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases	5.6 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study. Retirement rates were based on a table of rates that are specific to the type of eligibility condition, last updated in 2015 pursuant to an experience study of the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed income	25%	(0.25)-2.11%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.25%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.75%
Opportunistic	5%	2.84%
Total	<u>100%</u>	

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Discount Rate

The discount rate used to measure the collective pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease (6.25%)	Current (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	\$ 64,889,052	\$ 49,253,529	\$ 36,440,836

NOTE 6—INTERFUND BALANCES AND TRANSFERS

The County has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2018 are as follows:

	Due from
	General Fund
3 Nursing Home Fund	\$ 36,225,059
2 Fiduciary Funds	10,000
	<u>\$ 36,235,059</u>

Interfund transfers for the year ended June 30, 2018 consisted of a transfer of \$98,500 to the Registry of Deeds Fund (Nonmajor Governmental Fund) from the General Fund to support current operations. There was a budgetary transfer of \$2,782,821 from the Nursing Home Fund to the General Fund.

NOTE 7—RESTRICTED NET POSITION

Net position is restricted for specific purposes at June 30, 2018 are as follows:

Drug Forfeiture Funds	\$ 128,644
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COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

NOTE 8—COMPONENTS OF FUND BALANCE

The components of the County's fund balance for its governmental funds at June 30, 2018 are as follows:

<u>Fund Balances</u>	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
Nonspendable:			
Prepaid expenses	\$ 3,369		\$ 3,369
Restricted for:			
Drug Forfeiture	128,644		128,644
Assigned for:			
Deeds surcharge fund		\$ 26,600	26,600
Encumbrances	1,095,231		1,095,231
Capital reserves	503,457		503,457
Unassigned	<u>12,048,806</u>	<u>26,600</u>	<u>12,048,806</u>
	<u>\$ 13,779,507</u>	<u>\$ 26,600</u>	<u>\$ 13,806,107</u>

NOTE 9—PROPERTY TAXES

Property taxes levied to support the County are based on the assessed valuation of the prior April 1st for all taxable real property.

Under state statutes, the thirty-one Towns and Cities that comprise Hillsborough County (all independent governmental units) collect County taxes as part of local property tax assessments. As collection agent, the Towns/Cities are required to pay over to the County its share of property tax assessments. The Towns/Cities assume financial responsibility for all uncollected property taxes under state statutes.

NOTE 10—OPERATING LEASES

The County leases the former "House of Corrections" to the State of New Hampshire, which is using the facility as a women's prison. Rent is payable to the County on a monthly basis. In August 2017, the County extended the lease for one additional year, through June 30, 2018. The annual rent received by the County, which is annually adjusted, was \$256,017 for the year ended June 30, 2018.

Effective December 2013, the County entered into a 5-year lease with the State of New Hampshire for use of the 2nd Floor of the County Office Building for the Hillsborough County Courthouse. Rent is payable to the County on a monthly basis. This lease was cancelled effective June 30, 2018. The annual rent received by the County was \$196,824 for the year ended June 30, 2018.

In September 2011, the County entered into a 3-year lease with the State of New Hampshire for use of office space within the Hillsborough County Superior Court-North in Manchester, New Hampshire. In September 2014, the County and the State amended the lease terms with a new expiration of December 31, 2017. In October 2017, the County and the Department of Administrative Services of the State of New Hampshire entered into a new lease for the Hillsborough County Superior County Court space, with the new term to expire in December 2021. Rent is payable to the State of New Hampshire—Department of

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Administrative Services on a monthly basis. The annual rent paid by the County was \$122,707 for the year ended June 30, 2018.

The minimum future rental payments to be paid by the County for use of the Superior Court-North are as follows:

Year Ended <u>June 30.</u>	
2019	\$ 123,320
2020	123,934
2021	124,553
2022	<u>62,587</u>
	<u><u>\$ 434,394</u></u>

NOTE 11—RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2018, the County participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years. The County currently reports all of its risk management activities in its General Fund.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2018.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the County shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 12--COMMITMENTS AND CONTINGENCIES

Encumbrances

Encumbrances at June 30, 2018 are as follows:

General government	\$ 364,027
Public safety	714,588
Human services	<u>16,616</u>
	<u><u>\$ 1,095,231</u></u>

Litigation

Legal counsel estimates that any potential claims against the County which are not covered by insurance are immaterial and would not affect the financial position of the County.

Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 13—RESTATEMENT OF NET POSITION

During the year ended June 30, 2018, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Government-Wide Statements

The impact on net position of the Governmental Activities and Business-type Activities as of July 1, 2017 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position, July 1, 2017 - as previously reported	<u><u>\$ (13,538,874)</u></u>	<u><u>\$ 16,367,623</u></u>
Amount of restatement due to:		
Deferred outflows of resources related to OPEB	238,617	107,999
OPEB liability	(3,816,574)	(1,990,201)
Net position, July 1, 2017 - as restated	<u><u>\$ (17,116,831)</u></u>	<u><u>\$ 14,485,421</u></u>

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2018

Proprietary Fund

The impact on net position of the Nursing Home Fund as of July 1, 2017 is as follows:

	Nursing Home Fund
Net position, July 1, 2017 - as previously reported	\$ 16,367,623
Amount of restatement due to:	
Deferred outflows of resources related to OPEB	107,999
OPEB liability	<u>(1,990,201)</u>
Net position, July 1, 2017 - as restated	<u>\$ 14,485,421</u>

SCHEDULE 1

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
			Amounts	
Revenues:				
Taxes	\$ 54,113,661	\$ 54,113,661	\$ 54,113,661	\$ -
Intergovernmental	656,500	656,500	510,257	(146,243)
Charges for services	6,924,086	6,924,086	6,769,438	(154,648)
Interest income	100,000	100,000	306,045	206,045
Miscellaneous	481,768	481,768	622,490	140,722
Total Revenues	<u>62,276,015</u>	<u>62,276,015</u>	<u>62,321,891</u>	<u>45,876</u>
Expenditures:				
Current:				
General government	9,764,494	9,552,959	8,474,190	1,078,769
Public safety	22,817,124	23,028,659	21,252,403	1,776,256
Health and welfare	33,177,217	33,477,217	33,477,216	1
Debt Service:				
Principal retirement	1	1		1
Total Expenditures	<u>65,758,836</u>	<u>66,058,836</u>	<u>63,203,809</u>	<u>2,855,027</u>
Excess revenues over (under) expenditures	<u>(3,482,821)</u>	<u>(3,782,821)</u>	<u>(881,918)</u>	<u>2,900,903</u>
Other Financing Sources (Uses):				
Transfers in	2,482,821	2,782,821	2,782,821	-
Transfers out			(98,500)	(98,500)
Total Other Financing Sources (Uses)	<u>2,482,821</u>	<u>2,782,821</u>	<u>2,684,321</u>	<u>(98,500)</u>
Net change in fund balance	(1,000,000)	(1,000,000)	1,802,403	2,802,403
Fund balance at beginning of year				
- Budgetary Basis	<u>10,378,416</u>	<u>10,378,416</u>	<u>10,378,416</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 9,378,416</u>	<u>\$ 9,378,416</u>	<u>\$ 12,180,819</u>	<u>\$ 2,802,403</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Schedule of Changes in the County's Proportionate Share of the Net OPEB Liability

For the Year Ended June 30, 2018

Cost-Sharing Multiple Employer Plan Information Only

<u>Measurement Period Ended</u>	County's Proportion of the Net OPEB Liability	County's Proportionate Share of the Net OPEB Liability	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2017	0.58690656%	\$ 2,683,536	\$ 25,496,033	10.53%	7.91%
June 30, 2016	0.60958478%	\$ 2,951,032	\$ 25,446,701	11.60%	5.21%

See accompanying notes to the required supplementary information

SCHEDULE 3
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Schedule of County OPEB Contributions
For the Year Ended June 30, 2018

Cost-Sharing Multiple Employer Plan Information Only						
<u>Year Ended</u>	Contributions in Relation to the Contractually Required <u>Contribution</u>		Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll	
	Contractually Required <u>Contribution</u>	Contractually Required <u>Contribution</u>			-	1.57%
June 30, 2018	\$ 374,574	\$ (374,574)	\$ -	\$ 23,822,521		
June 30, 2017	\$ 347,860	\$ (347,860)	\$ -	\$ 25,496,033		
June 30, 2016	\$ 354,206	\$ (354,206)	\$ -	\$ 25,446,701		

See accompanying notes to the required supplementary information

SCHEDULE 4

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE

Schedule of Changes in the County's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

<u>Single Employer Plan Information Only</u>		<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 309,966	
Interest	222,179	
Changes of benefit terms	-	
Changes of assumptions or other inputs	(186,549)	
Differences between expected and actual experience	-	
Benefit payments	<u>(131,107)</u>	
Net change in total OPEB liability	214,489	
Total OPEB liability - beginning	<u>5,961,722</u>	
Total OPEB liability - ending	<u>\$ 6,176,211</u>	
Covered employee payroll	\$ 23,934,805	
Total OPEB liability as a percentage of covered employee payroll	25.80%	

See accompanying notes to the required supplementary information

SCHEDULE 5**COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE****Schedule of Changes in the County's Proportionate Share of the Net Pension Liability**

For the Year Ended June 30, 2018

<u>Measurement Period Ended</u>	<u>County's Proportion of the Net Pension Liability</u>	<u>County's Proportionate Share of the Net Pension Liability</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2017	1.00149655%	\$ 49,253,529	\$ 25,496,033	193.18%	62.66%
June 30, 2016	1.02740354%	\$ 54,633,163	\$ 25,446,701	214.70%	58.30%
June 30, 2015	0.99905238%	\$ 39,577,731	\$ 24,379,147	162.34%	65.47%
June 30, 2014	1.03647218%	\$ 38,904,872	\$ 24,580,252	158.28%	66.32%
June 30, 2013	1.04175831%	\$ 44,835,032	\$ 24,296,742	184.53%	59.81%

See accompanying notes to the required supplementary information

SCHEDULE 6
COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
Schedule of County Pension Contributions
For the Year Ended June 30, 2018

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>County's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2018	\$ 3,669,338	\$ (3,669,338)	\$ -	\$ 23,822,521	15.40%
June 30, 2017	\$ 3,654,318	\$ (3,654,318)	\$ -	\$ 25,496,033	14.33%
June 30, 2016	\$ 3,673,059	\$ (3,673,059)	\$ -	\$ 25,446,701	14.43%
June 30, 2015	\$ 3,351,702	\$ (3,351,702)	\$ -	\$ 24,379,147	13.75%
June 30, 2014	\$ 3,362,556	\$ (3,362,556)	\$ -	\$ 24,580,252	13.68%
June 30, 2013	\$ 2,590,370	\$ (2,590,370)	\$ -	\$ 24,296,742	10.66%

See accompanying notes to the required supplementary information

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the County. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and other financing sources were adjusted for non-budgetary activity, and General Fund budgetary expenditures and other financing uses were adjusted for encumbrances as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 65,107,222	\$ 63,715,826
Encumbrances, June 30, 2018		1,095,231
Encumbrances, June 30, 2017		(1,508,748)
Non-budgetary revenues	(2,510)	-
Per Schedule 1	<u>\$ 65,104,712</u>	<u>\$ 63,302,309</u>

NOTE 2—BUDGETARY FUND BALANCES

The components of the budgetary fund balance for the County are as follows:

Nonspendable:	
Prepaid expenses	\$ 3,369
Restricted:	
Drug forfeiture	128,644
Unassigned	<u>12,048,806</u>
	<u>\$ 12,180,819</u>

NOTE 3—SCHEDULE OF CHANGES IN THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF COUNTY OPEB CONTRIBUTIONS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County is required to disclose historical information for each of the prior ten years within a schedule of changes in the County's proportionate share of the net OPEB liability, and schedule of County OPEB contributions. The County implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

COUNTY OF HILLSBOROUGH, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
June 30, 2018

NOTE 4—SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County is required to disclose historical information for each of the prior ten years within a schedule of changes in the County's total OPEB liability and related ratios. The County implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Change in Actuarial Assumptions

For the July 1, 2017 actuarial valuation, a discount rate of 3.58% was used. The discount rate was increased to 3.87% in the rollforward to the June 30, 2018 measurement date.

NOTE 5—SCHEDULE OF CHANGES IN THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF COUNTY CONTRIBUTIONS

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the County is required to disclose historical information for each of the prior ten years within a schedule of changes in the County's proportionate share of the net pension liability, and schedule of County contributions. The County implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

Change in Actuarial Assumptions

For the June 30, 2015 actuarial valuation, the New Hampshire Retirement System reduced its assumption for the investment rate of return from 7.75% to 7.25%, decreased the price inflation from 3.0% to 2.5%, decreased the wage inflation from 3.75% to 3.25%, and decreased the salary increases from 5.8% to 5.6%. Additionally, the mortality table was changed from the RP-2000 projected to 2020 with Scale AA to the RP-2014 employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP-2015.

